

**PROPOSED REVISION OF TRA ANNUAL REPORT FORM**

<b>Page</b>	<b>Description</b>	<b>Proposed Revision</b>
1	Cover Page	Keep as is.
2	Signature Page	Keep as is.
3	Table of Contents	Revise to fit new format.
4	Officers and Directors	Keep as is.
5-6	Glossary of Terms	Delete.
7	Abbreviations	Delete.
8	Important Changes	Keep as is.
9-12	Part A. Balance Sheet	Revise industry proposed balance sheet to fit new format.
13-18	Part B. Statements of Income	Revise industry proposed income statement to fit new format.
19	Part C. Subscriber (Access Line) Data	Keep as is.
19	Part D. Analysis of Telephone Plant	Delete.
20	Part E. Analysis of Depreciation Reserve	Delete.
20	Part F. Funds Invested in Plant During Yr	Delete.
20	Part G. Central Office Plant	Keep as is (to provide operational data).
20	Part H. System Data	Keep as is (to provide operational data).
20	Part I. Toll Data	Keep as is (to provide operational data).
21	Part J. General Funds and Investments	Keep as is (to provide information on affiliates).
22	Part K. Notes Receivable	Keep as is (to provide information on affiliates).
22	Part L. Other Accounts Receivable	Keep as is (to provide information on affiliates).
22	Part M. Notes Payable	Keep as is (to provide information on affiliates).
22	Part N. Compensation of Officers, etc.	Delete.
23	Part O. Current Depreciation Rates	Delete (rates included on TPIS schedule).
24	Return on Common Equity	Delete.
24	Capital Structure and Target Return	Delete.
25	Return on Average Rate Base	Delete.
26	Statement of Cash Flows	Delete.
27	Affiliated Interest Transactions	Keep as is (to provide information on affiliates).
28	Telecommunications Accounts Receivable	Keep as is (to provide information on affiliates).
28	Accounts Receivable Allowance - Telecom	Delete.
29	Interest and Dividends Receivable	Keep (to provide information on affiliates).
29	Unamortized Debt Issuance Expense	Delete.
30	Other Prepayments	Delete.
30	Other Noncurrent Assets	Delete.
30	Property Held for Future Telecom Use	Delete.
31	Deferred Maintenance and Retirements	Delete.
31	Deferred Charges	Delete.
32	Nonoperating Plant & Accum. Depr.	Delete.
32	Analysis of Capital Leases	Delete.
33-35	TPIS	Revise industry proposed TPIS to fit new format.
36-38	Accumulated Depreciation	Revise industry proposed Accum Depr to fit new format.
39-40	Accumulated Deferred FIT - Accel. Depr.	Delete.
41	Analysis of Leasehold Improvements	Delete.
41	Analysis of Intangibles	Delete.
42	Accounts Payable	Keep as is (to provide information on affiliates).
43-44	Long-Term Debt	Delete.
43-44	Premium and Discount on L-T Debt	Delete.
45-46	Capital Stock Accounts at End of Yr	Delete.
45	Other Capital Liability	Delete.
45	Labor Overheads and Other Indirect Costs	Delete.
46	Other Accrued Liabilities	Delete.
46	Advances from Affiliated Companies	Keep as is (to provide information on affiliates).
47	Other Long-Term Liabilities	Delete.
47	Other Deferred Credits	Delete.
48	Reconciliation of Reported Inc w/ Taxable	Delete.
49-50	Prepaid Taxes and Tax Accruals	Delete.
51-52	Distribution of Taxes to Accounts	Delete.
53-54	Revenue Statement	Delete.
55-60	Expense Matrix	Delete.

**PROPOSED REVISION OF TRA ANNUAL REPORT FORM**

<b>Page</b>	<b>Description</b>	<b>Proposed Revision</b>
61	Depreciation Expense	Delete.
61	Analysis of External Relations - Other	Delete.
62	Analysis of Matrix Category - Benefits	Delete.
63	Analysis of Other General & Administrative	Delete.
64	Other Income Accounts	Delete.
65	Interest Charges	Keep as is.
65	Nonregulated Net Income	Keep as is.
65	Income Effect of Jurisdictional Ratemaking	Delete.
66	Employee Salaries and Overtime	Delete.
66	Special Charges	Delete.
67	Access Usage	Keep as is (to provide operational data).
67	Employee Data - End of Year	Revise to fit new format.
68	Service Data	Keep as is (to provide operational data).
69	Manufacturer and Equipment Abbreviations	Keep as is (to provide operational data).
69-72	Central Office Data - End of Year	Keep as is (to provide operational data).
73-74	Income Statement - Reg and Nonreg	Delete (sufficient detail in proposed income statement).
75-76	Balance Sheet - Reg and Nonreg	Delete (sufficient detail in proposed balance sheet).
77-78	TPIS - Reg and Nonreg	Delete (sufficient detail in proposed TPIS).
79-82	Revenue Allocation of Reg and Nonreg	Delete (sufficient detail in proposed income statement).
83-87	Expense Allocation of Reg and Nonreg	Delete (sufficient detail in proposed income statement).
88-89	Other Inc Accts Alloc or Reg and Nonreg	Delete (sufficient detail in proposed income statement).
90	Business Contracts with Officers, etc.	Keep as is.
91-92	Parent/Affiliate Organizations	Keep as is.
93-94	Business Transactions w/ Related Parties	Keep as is.
95	Suggestions for Improving TRA Form	Delete.

# TENNESSEE REGULATORY AUTHORITY ANNUAL REPORT

For Year Ended  
**1998**

CROCKETT TELEPHONE COMPANY, INC.

EXACT NAME OF COMPANY FILING REPORT

224 EAST MAIN STREET BRADFORD, TENNESSEE 38316

STREET ADDRESS, CITY, STATE & ZIP CODE OF COMPANY'S PRINCIPAL OFFICE

224 EAST MAIN STREET BRADFORD, TENNESSEE 38316

STREET ADDRESS, CITY, STATE & ZIP CODE OF PRINCIPAL OFFICE OR AGENT IN TENNESSEE

MAIL TO:

**TENNESSEE REGULATORY AUTHORITY  
ATTENTION: TELECOMMUNICATIONS DIVISION  
460 JAMES ROBERTSON PARKWAY  
NASHVILLE, TENNESSEE  
37243-0505**

ALL CORRESPONDENCE CONCERNING THIS REPORT SHOULD BE DIRECTED TO:

LARRY S. HOWLE

NAME

SEPARATIONS/SPECIALIST (TELEPHONE ELECTRONICS CORPORATION)

OFFICIAL TITLE

236 EAST CAPITAL STREET JACKSON, MISSISSIPPI 39205 (601) 352-0940

OFFICIAL ADDRESS & PHONE NUMBER

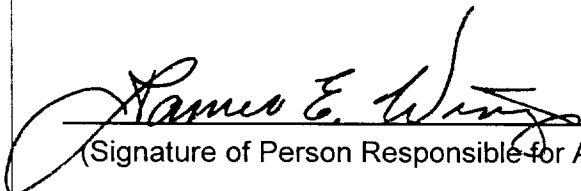
**\*\* THIS REPORT MUST BE FILED WITH THE TRA ON OR BEFORE APRIL 1, 1999 \*\***

**SIGNATURE PAGE**

I, James E. Wingo, Vice President

of Crockett Telephone Company, Inc. certify that I

am the person responsible for accounts; that I have examined the following report and to the best of my knowledge, information and belief, it is a correct statement of the business and affairs of said utility for the period covered by the report in respect to each and every matter set forth therein.

  
(Signature of Person Responsible for Accounts)

4/29/99  
(Date)

VICE PRES  
(Title)

\* REVISE TO FIT NEW FORMAT \*

30695

CROCKETT TELEPHONE CO., INC.

YEAR ENDED DECEMBER 31, 1998

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YEAR ENDED DECEMBER 31, 1998

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## ANNUAL TELEPHONE REPORT GLOSSARY OF TERMS

**ACCESS LINE** -- Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency transmission, and/or time slot transmission. From an engineering perspective, a channel connection is at a DSO level. A DSO level is a 4 KHz voice channel or a 64 kilobits per second digital channel.

**ANALOG SIGNAL** -- A signal that varies in a continuous manner such as voice or music. An analog signal must be contrasted with a digital signal which can assume only discrete values.

**CELLULAR SYSTEM** -- A high capacity land mobile radio system in which an assigned frequency spectrum is divided into discrete channels that are assigned to a cellular geographic serving area.

**CENTRAL OFFICE** -- A switching unit in a telephone system providing service to the general public, having the necessary equipment and operating arrangements for terminating and interconnecting lines and trunks.

**CENTREX** -- A service for customers with many stations that permits station-to-station dialing, one listed directory number for the customer, direct inward dialing to a particular station and station identification on outgoing calls. The switching functions are performed in a central office (stand alone, host or remote).

**CHANNEL** -- An electrical communications path between two more points. A single pair of wires may provide more than one channel. A channel may also be provided by microwave.

**CUSTOMER** -- A person who uses a telephone as a subscriber.

**DIGITAL SIGNAL** -- A signal that has a limited number of discrete states. This may be contrasted with an analog signal that varies in a continuous manner and may have an infinite number of states.

**EQUAL ACCESS** -- The ability of the subscriber to use any long distance service by dialing the same number of digits.

**EXCHANGE** -- A defined area, served by one or more central offices, within which the company furnishes service at rates and rules prescribed for that area in the company's filed tariffs. The area is not necessarily marked by political boundaries.

**EXTENDED AREA SERVICE (EAS)** -- The ability of a customer to call persons in other exchanges without paying toll charges.

**FEATURE GROUP A** -- Line-side originating and terminating LATA access for which an originating subscriber dials an assigned telephone number that connects to a specific interexchange carrier (IC). The IC returns a tone to signal the caller to input additional generated digits of the called number.

**FEATURE GROUP B** -- Trunk-side originating and terminating LATA access for which an originating subscriber dials a 950-WXXX number (where W=0, 1 and XXX is the carrier access code (CAC)), which is translated to a specific XXX carrier trunk group. Optional rotary dial service and ANI may be available.

FEATURE GROUP C -- Trunk-side LATA access for AT&T-Communications generally on a direct basis between each end office (EO) and an AT&T-C switching system.

FEATURE GROUP D -- Also referred to as equal access. It is trunk-side LATA access affording call supervision of an interexchange carrier, a uniform access code (10XXX), optional calling party identification, recording of access-charge billing details and presubscription to a customer specified interexchange carrier.

FX-IN -- A nonswitched service where the customer of the company is connected to and receives switching service through central office equipment located in another exchange area.

FX-OUT -- A switched service where facilities are provided from the central office out to the exchange boundary where it meets the line from a foreign exchange subscriber.

HOST SWITCHING SYSTEM -- A switching system that provides centralized control over most of the switching functions of one or more remote switching units. The host switching system usually provides trunk access to the operating company IntraLATA networks.

LOCAL ACCESS TRANSPORT AREA (LATA) -- A geographic area within which an operating company may offer its telecommunications services.

MOBILE TELEPHONE -- A service which provides radio telephone communication from a mobile vehicle to another vehicle or to a regular telephone.

PAGING -- A service which provides one-way signal or voice communication over a radio channel to a miniature receiver carried by the customer.

PAIR -- Two wires of a single circuit.

PAY STATION -- A telephone which normally requires all users to deposit one or more coins or use a credit card to complete a call.

PRIVATE LINE SERVICE -- Channel or circuit rented for private use and not intended to be connected to the general distribution system.

PRIVATE BRANCH EXCHANGE (PBX) -- A manually, or operator controlled switching system, usually on the customer's premises, which serves that customer's telephones over a common group of lines from the central office.

RADIO COMMON CARRIER (RCC) -- A company which furnishes public telecommunications service using one or more radio channels.

REMOTE SWITCHING UNIT (RSU) -- An electronic switching system that is remote from its host or control office. All or most of the central control equipment for the RSU is located in the host switching system.

TRUNK -- A communications path connecting two switching systems in the establishment of an end-to-end connection.

WIDE AREA TELEPHONE SERVICE (WATS) -- Customer leased access line or lines connected to the nationwide network over which an unlimited number of calls can be made for a fixed monthly charge.

WIRE CENTER -- The location of one or more local switching systems. A point at which customers' loops converge.



# ABBREVIATIONS USED IN ANNUAL REPORT

Acct	Account
Accum	Accumulated
Acq	Acquisition
Admin	Administration
Alloc	Allocation
Amort	Amortization
CO	Central Office
Depr	Depreciation
Equip	Equipment
Exp	Expenses
EOY	End of Year
FOY	First of Year
Info	Information
ITC	Investment Tax Credit
Misc	Miscellaneous
Nonoper	Non Operating
Nonreg	Non Regulated
Oper	Operating
Opns	Operations
Orig	Originating
Prop	Property
Receiv	Receivable
Reg	Regulated
Rev	Revenue
Svcs	Services
Telecom	Telecommunication
Term	Terminating
TPIS	Telecommunications Plant In Service
TPUC	Telecommunications Plant Under Construction
Uncoll	Uncollectible

CROCKETT TELEPHONE CO., INC.

YEAR ENDED DECEMBER 31, 1998

**IMPORTANT CHANGES DURING THE YEAR**

1. Give the name and address of all companies which during the year came under the direct control of the respondent otherwise than through title to securities, stating whether such control is sole or joint, how control was established, names of other parties to a joint agreement for control, the extent of control exercised by each party, and any other pertinent data requisite to a clear understanding of the arrangements relating to control. (See Section 32.9000 of the Uniform System of Accounts). Where important details relating to control of a company have changed, give particulars. If during the year, a company ceased to be controlled by the respondent, the company's name and a statement of fact will be sufficient.
2. Give the name and address of all companies which during the year came under the indirect control of the respondent through non-reporting intermediaries, stating whether such control is sole or joint, how control was established, names of other parties to a joint agreement for control, the extent of control exercised by each party, the name and address of the intermediary through which the indirect control exists, and any other pertinent data requisite to a clear understanding of the arrangements relating to control. (See Section 32.9000 of the Uniform System of Accounts). Where important details relating to control of a company have changed, give particulars. If during the year a company ceased to be controlled by the respondent, the company's name and a statement of fact will be sufficient.
3. Important leaseholds acquired, given, assigned or surrendered, giving effective dates, lengths of terms, names of parties, rents, TRA authorization, if any, and other conditions.
4. List extension of system (other than additions supplementing existing facilities of the respondent) whether by purchase, construction, donation, or otherwise, such as a substantially complete telephone systems, exchange, or toll line. Give the location, new territory covered, and dates of beginning operation, and in case of purchase give also the name and address of the company from which purchased, date of acquisition, the consideration given, and reference to TRA authorization.
5. Attach a map defining the franchise territory covered by the respondent's operations when changes in franchise territory have occurred.
6. Estimated increase or decrease in annual revenues due to important rate changes, giving bases of estimates.
7. Obligation incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, excluding ordinary commercial paper maturing on demand or not later than one year after date of issue, and giving TRA authorization, if any.
8. Changes in articles of incorporation or amendments to charter.
9. Additional matters of fact (not elsewhere provided for) which respondent may desire to include in its report.

December 31, 1999

\* REVISE TO FIT NEW FORMAT \*

## BALANCE SHEET

ASSETS	BALANCE LAST YEAR			BALANCE THIS YEAR		
	TOTAL	REGULATED	NON REGULATED	TOTAL	REGULATED	NON- REGULATED
<b>CURRENT ASSETS</b>						
1. Cash and Equivalents						
2. Cash-REA Construction Fund						
3. Telecommunication Accounts Receivable						
4. Other Accounts Receivable						
a. Affiliates						
b. Non-affiliates						
Total Other Accounts Receivable			0			0
5. Notes Receivable						
6. Interest and Dividends Receivable						
7. Material-Regulated						
8. <del>Material-Nonregulated</del>						
9. Prepayments						
10. Other Current Assets						
<b>11. Total Current Assets (1 Thru 10)</b>			0			0
<b>NONCURRENT ASSETS</b>						
12. Investment in Affiliated Companies						
a. Rural Development						
b. Not Rural Development						
Total Investment in Affiliated Companies			0			0
13. Other Investments						
a. Rural Development						
b. Not Rural Development						
Total Other Investments			0			0
14. Nonregulated Investments						
15. Other Noncurrent Assets						
16. Deferred Charges						
<b>17. Total Noncurrent Assets</b>			0			0
<b>PLANT, PROPERTY, AND EQUIPMENT</b>						
18. Telecommunications Plant-in-service						
19. Property Held for Future Use						
20. Plant Under Construction						
21. Plant Adjustment, Nonoperating Plant, and Goodwill						
22. Less Accumulated Depreciation						
<b>23. Net Plant (18 thru 21 less 22)</b>			0			0
<b>24. TOTAL ASSETS (11 + 17 + 23)</b>			0			0

December 31, 1999

\* REVISE TO FIT NEW FORMAT \*

## BALANCE SHEET

LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE LAST YEAR			BALANCE THIS YEAR		
	TOTAL	REGULATED	NON REGULATED	TOTAL	REGULATED	NON REGULATED
<b>CURRENT LIABILITIES</b>						
25. Accounts Payable						
26. Notes Payable						
27. Advance Billings and Payments						
28. Customer Deposits						
29. Current Maturities Long-Term Debt						
30. Current Maturities Long-Term Debt-Rural Dev.						
31. Income Taxes Accrued						
32. Other Taxes Accrued						
33. Other Current Liabilities						
<b>34. Total Current Liabilities (25 thru 33)</b>			0			0
<b>LONG-TERM DEBT</b>						
35. Funded Debt-REA Notes						
36. Funded Debt-RTB Notes						
37. Funded Debt-FFB Notes						
38. Funded Debt-Other						
39. Funded Debt-Rural Development Loan-REA						
40. Premium (Discount) on Long Term Debt						
41. Reacquired Debt						
42. Advances From Affiliated Companies						
43. Other Long-Term Debt						
<b>44. Total Long-Term Debt (35 thru 43)</b>			0			0
<b>OTHER LIABILITIES AND DEFERRED CREDITS</b>						
45. Other Long-Term Liabilities						
46. Other Deferred Credits						
47. Other Jurisdictional Differences						
<b>48. Total Other Liabilities and Deferred Credits (45 thru 47)</b>			0			0
<b>EQUITY</b>						
49. Capital Stock Outstanding and Subscribed						
50. Additional Paid-in-Capital						
51. Treasury Stock						
52. Other Capital						
53. Retained Earnings						
<b>54. Total Equity (49 thru 53)</b>			0			0
<b>55. TOTAL LIABILITIES AND EQUITY (34+44+48 54)</b>			0			0

CROCKETT TELEPHONE CO., INC.

YEAR ENDED DECEMBER 31, 1998

USDA-RUS  
FINANCIAL AND STATISTICAL REPORT  
FOR TELEPHONE BORROWERS

This data will be used by REA to review your financial situation. Your response is required (7 U.S.C 901 et seq.) and is not confidential.

Utility - 2a

BORROWER NAME AND ADDRESS

CROCKETT TELEPHONE CO., INC.  
224 East Main Street  
Bradford, Tennessee 38316

INSTRUCTIONS-Submit an original and three copies to REA within 30 days after close of the period. For detailed instructions, see REA TOM 1800. Report in whole dollars only.

Year Ended December 31, xxxx

BORROWER DESIGNATION

TENN 550

CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND BEEN OBTAINED FOR ALL POLICIES.

SIGNATURE OF MANAGER

DATE

SIGNATURE OF OFFICER

DATE

PART A. BALANCE SHEET

ASSETS	BALANCE End of Period	LIABILITIES AND STOCKHOLDER'S EQUITY	BALANCE End of Period
CURRENT ASSETS (a)	(b)	CURRENT LIABILITIES (c)	(d)
1. Cash and Equivalents	4,238,958	26. Accounts Payable	131,078
2. Cash - RUS Construction Fund	9,210	27. Notes Payable	0
3. Telecommunications Accounts Receivable	453,920	28. Advance Billings and Payments	74,756
4. Other Accounts Receivable		29. Customer Deposits	12,350
a. Affiliates	0	30. Current Maturities Long-Term Debt	117,864
b. Non-Affiliates	0	31. Current Maturities Long-Term Debt-Rural Development	0
Total of 4a. and 4b. ----->	0	32. Current Maturities-Capital Leases	0
5. Notes Receivable	0	33. Income Taxes Accrued	29,944
6. Interest and Dividends Receivable	0	34. Other Taxes Accrued	102,470
7. Material - Regulated	29,246	35. Other Current Liabilities	923,958
8. Material - Nonregulated	6,109		
9. Prepayments	2,788	36. Total Current Liabilities (26 thru 35)	1,392,419
10. Other Current Assets	343,500	LONG-TERM DEBT	
11. Total Current Assets (1 thru 10)	5,083,732	37. Funded Debt-RUS Notes	2,891,672
NONCURRENT ASSETS		38. Funded Debt-RTB Notes	0
12. Investment in Affiliated Companies		39. Funded Debt-FFB Notes	0
a. Rural Development	0	40. Funded Debt-Other	0
b. Not Rural Development	0	41. Funded Debt-Rural Development Loan	0
Total of 12a. and 12b. ----->	0	42. Premium (Discount) on Long-Term Debt	0
13. Other Investments		43. Recaptured Debt	0
a. Rural Development	0	44. Obligations Under Capital Leases	0
b. Not Rural Development	4,082	45. Advances From Affiliated Companies	0
Total of 13a. and 13b. ----->	4,082	46. Other Long-Term Debt	0
14. Nonregulated Investments	124,091	47. Total Long-Term Debt (37 thru 46)	2,891,672
15. Other Noncurrent Assets	0	OTHER LIABILITIES AND DEFERRED CREDITS	
16. Deferred Charges	0	48. Other Long-Term Liabilities	0
17. Jurisdictional Differences	0	49. Other Deferred Credits	453,858
18. Total Noncurrent Assets (12 thru 17)	128,173	50. Other Jurisdictional Differences	0
PLANT, PROPERTY, AND EQUIPMENT		51. Total Other Liab. and Def. Credits (48 - 50)	453,858
19. Telecommunications Plant-in-Service	7,703,763	EQUITY	
20. Property Held For Future Use	0	52. Capital Stock Outstanding and Subscribed	108,800
21. Plant Under Construction	25,690	53. Additional Paid-in-Capital	0
22. Plant Adjustments, Nonoperating Plant, and Goodwill	0	54. Treasury Stock ( )	0
23. Less Accumulated Depreciation	5,504,261	55. Membership and Capital Certificates	0
24. Net Plant (19 thru 22 less 23)	2,225,192	56. Other Capital	0
		57. Patronage Capital Credits	0
25. TOTAL ASSETS (11 + 18 + 24)	7,437,097	58. Retained Earnings or Margins	2,590,348
		59. Total Equity (52 thru 58)	2,699,148
		60. TOTAL LIAB. & EQUITY (36+47+51+59)	7,437,097

CROCKETT TELEPHONE CO., INC.

YEAR ENDED DECEMBER 31, 1998

USDA-RUS  
FINANCIAL AND STATISTICAL REPORT  
FOR TELEPHONE BORROWERS

This data will be used by REA to review your financial situation. Your response is required (7 U.S.C 901 et seq.) and is not confidential.

Utility - 2b

## BORROWER NAME AND ADDRESS

CROCKETT TELEPHONE CO., INC.  
224 East Main Street  
Bradford, Tennessee 38316

INSTRUCTIONS: Submit an original and three copies to REA within 30 days after close of the period. For detailed instructions, see REA TOM 1800. Report in whole dollars only.

YEAR ENDED DECEMBER 31, 1998

BORROWER DESIGNATION

TENN 550

## CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENT BEEN OBTAINED FOR ALL POLICIES.

SIGNATURE OF MANAGER

DATE

SIGNATURE OF OFFICER

DATE

## PART A. BALANCE SHEET

ASSETS	BALANCE End of Period	LIABILITIES AND STOCKHOLDER'S EQUITY	BALANCE End of Period
CURRENT ASSETS (a)	(b)	CURRENT LIABILITIES (c)	(d)
1. Cash and Equivalents	3,523,065	26. Accounts Payable	225,849
2. Cash - RUS Construction Fund	9,210	27. Notes Payable	0
3. Telecommunications Accounts Receivable	454,472	28. Advance Billings and Payments	89,007
4. Other Accounts Receivable	0	29. Customer Deposits	13,500
a. Affiliates	0	30. Current Maturities Long-Term Debt	122,225
b. Non-Affiliates	0	31. Current Maturities Long-Term Debt-Rural Development	0
Total of 4a. and 4b. ----->	0	32. Current Maturities-Capital Leases	0
5. Notes Receivable	0	33. Income Taxes Accrued	42,667
6. Interest and Dividends Receivable	0	34. Other Taxes Accrued	99,007
7. Material - Regulated	57,498	35. Other Current Liabilities	184,586
8. Material - Nonregulated	4,913		
9. Prepayments	1,637	<b>36. Total Current Liabilities (26 thru 35)</b>	<b>776,841</b>
10. Other Current Assets	55,150	<b>LONG-TERM DEBT</b>	
<b>11. Total Current Assets (1 thru 10)</b>	<b>4,085,945</b>	37. Funded Debt-RUS Notes	2,769,399
<b>NONCURRENT ASSETS</b>		38. Funded Debt-RTB Notes	0
12. Investment in Affiliated Companies	0	39. Funded Debt-FFB Notes	0
a. Rural Development	0	40. Funded Debt-Other	0
b. Not Rural Development	0	41. Funded Debt-Rural Development Loan	0
Total of 12a. and 12b. ----->	0	42. Premium (Discount) on Long-Term Debt	0
13. Other Investments	0	43. Recaptured Debt	0
a. Rural Development	0	44. Obligations Under Capital Leases	0
b. Not Rural Development	4,082	45. Advances From Affiliated Companies	0
Total of 13a. and 13b. ----->	4,082	46. Other Long-Term Debt	0
14. Nonregulated Investments	103,810	<b>47. Total Long-Term Debt (37 thru 46)</b>	<b>2,769,399</b>
15. Other Noncurrent Assets	0	<b>OTHER LIABILITIES AND DEFERRED CREDITS</b>	
16. Deferred Charges	0	48. Other Long-Term Liabilities	0
17. Jurisdictional Differences	0	49. Other Deferred Credits	159,136
<b>18. Total Noncurrent Assets (12 thru 17)</b>	<b>107,892</b>	50. Other Jurisdictional Differences	0
<b>PLANT, PROPERTY, AND EQUIPMENT</b>		<b>51. Total Other Liab. and Def. Credits (48 - 50)</b>	<b>159,136</b>
19. Telecommunications Plant-in-Service	7,906,145	<b>EQUITY</b>	
20. Property Held For Future Use	0	52. Capital Stock Outstanding and Subscribed	108,800
21. Plant Under Construction	316,383	53. Additional Paid-in-Capital	0
22. Plant Adjustments, Nonoperating Plant, and Goodwill	0	54. Treasury Stock ( )	0
23. Less Accumulated Depreciation	5,993,331	55. Membership and Capital Certificates	0
<b>24. Net Plant (19 thru 22 less 23)</b>	<b>2,229,196</b>	56. Other Capital	0
		57. Patronage Capital Credits	0
<b>25. Total Assets (11 + 18 + 24)</b>	<b>6,423,033</b>	58. Retained Earnings or Margins	2,608,858
		<b>59. Total Equity (52 thru 58)</b>	<b>2,717,658</b>
		<b>60. TOTAL LIAB. &amp; EQUITY (36+47+51+59)</b>	<b>6,423,033</b>

*\* REVISE TO FIT NEW FORMAT \**

13895

TELEPHONE COMPANY		Page 6					
December 31, 1999		REVENUE STATEMENT					
Description (a)	Acct. No. (b)	Last Year Total (c)			This Year Total (d)		
		TOTAL	REG	NON REG	TOTAL	REG	NON REG
<b>Local Network Services Revenues</b>							
Basic Area Revenue	5001						
Optional Extended Area Revenue	5002						
Cellular Mobile Revenue	5003						
Other Mobile Services Revenue	5004						
Public Telephone Revenue	5010						
Local Private Line Revenue	5040						
Customer Premises Revenue	5050						
Other Local Exchange Revenue	5060						
Other Local Exchange Revenue Settlements	5069						
<b>Total Basic Local Service Revenue (L 10 thru 18)</b>	<b>5000</b>			<b>0</b>			<b>0</b>
<b>Network Access Services Revenues</b>							
End User Revenue	5081						
Switched Access Revenue	5082						
Special Access Revenue	5083						
State Access Revenue	5084						
<b>Total Network Access Revenue (L 22 thru 25)</b>	<b>5080</b>			<b>0</b>			<b>0</b>
<b>Long Distance Network Services Revenues</b>							
Long Distance Message Revenue	5100						
Long Distance Inward-Only Revenue	5111						
Long Distance Outward-Only Revenue	5112						
Subvoice Grade LD Private Network Revenue	5121						
Voice Grade LD Private Network Revenue	5122						
Audio Program Grade LD Private Network Revenue	5123						
Video Program Grade LD Private Network Revenue	5124						
Digital Transmission LD Private Network Revenue	5125						
LD Private Network Switching Revenue	5126						
Other LD Private Network Revenue	5128						
Other LD Private Network Revenue Settlements	5129						
Other Long Distance Revenue	5160						
Other LD Revenue Settlements	5169						
<b>Total Long Distance Network Services Revenues (L29 thru 41)</b>				<b>0</b>			<b>0</b>
<b>Miscellaneous Revenues</b>							
Directory Revenue	5230						
Rent Revenue	5240						
Corporate Operations Revenue	5250						
Special Billing Arrangements Revenue	5261						
Customer Operations Revenue	5262						
Plant Operations Revenue	5263						
Other Incidental Regulated Revenue	5264						
Other Revenue Settlements	5269						
Carrier Billing and Collection Revenue	5270						
<b>Total Miscellaneous Revenues (L44 thru 52)</b>	<b>5200</b>			<b>0</b>			<b>0</b>
<b>Nonregulated Operating Revenue</b>	<b>5280</b>						
<b>GROSS OPERATING REVENUES</b>				<b>0</b>			<b>0</b>
<b>Uncollectible Revenues</b>							
Uncollectible Revenue - Telecommunications	5301						
Uncollectible Revenue Other	5302						
<b>Total Uncollectible Revenue (Lines 60 thru 61)</b>	<b>5300</b>			<b>0</b>			<b>0</b>
<b>TOTAL OPERATING REVENUES (Line 57 - Line 62)</b>				<b>0</b>			<b>0</b>

Include Intrastate billing and collection revenues on line 52.  
 Include Interstate billing and collection revenues (net of uncollectibles) on line 55.  
 Lines 60 and 61 should include regulated uncollectibles only.

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\* REVISE TO FIT NEW FORMAT \*

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TELEPHONE COMPANY		Page 8					
December 31, 1999							
OPERATING EXPENSE							
Particulars (a)	Account (b)	Total Last Year			Total This Year		
		(c)	NON		(d)	NON	
Plant Specific Operations Expense (cont.)		TOTAL	REG	REG	TOTAL	REG	REG
Poles Expense	6411						
Aerial Cable Expense	6421						
Underground Cable Expense	6422						
Buried Cable Expense	6423						
Submarine Cable Expense	6424						
Deep Sea Cable Expense	6425						
Intrabuilding Net Cable Expense	6426						
Aerial Wire Expense	6431						
Conduit Systems Expense	6441						
Total Cable & Wire Facilities Expense				0			0
Less: Nonregulated	6410						
Net Regulated				0			0
Total Plant Specific Operations Expense				0			0
Less: Nonregulated				0			0
Net Regulated				0			0
Plant Nonspecific Operations Expense							
Property Held for Future Telecom. Use Exp.	6511						
Provisioning Exp	6512						
Total Other Property Plant and Equip. Exp.				0			0
Less: Nonregulated	6510						
Net Regulated				0			0
Power Expense	6531						
Network Administration Expense	6532						
Testing Expense	6533						
Plant Operations Administration Expense	6534						
Engineering Expense	6535						
Total Network Operations Expense				0			0
Less: Nonregulated	6530						
Net Regulated				0			0
Access Expense	6540						
Depreciation Exp. - Tel. Plant in Service	6561						
Depr. - Property Held For Future Tel. Use	6562						
Amortization Expense -- Tangible	6563						
Amortization Expense -- Intangible	6564						
Amortization Expense -- Other	6565						
Total Depr & Amort Expense				0			0
Less: Nonregulated	6560						
Net Regulated				0			0
Total Plant Nonspecific Operations Expense				0			0
Less: Nonregulated				0			0
Net Regulated				0			0

*\* REVISE TO FIT NEW FORMAT \** 16 of 95

TELEPHONE COMPANY		Page 9					
December 31, 1999							
OPERATING EXPENSE							
Particulars (a)	Account (b)	Total Last Year			Total This Year		
		(c)	NON		(d)	NON	
Customer Operations Expense		TOTAL	REG	REG	TOTAL	REG	REG
Product Management	6611						
Sales	6612						
Product Advertising	6613						
Total Marketing				0			0
Less: Nonregulated	6610						
Net Regulated				0			0
Call Completion Services	6621						
Number Services	6622						
Customer Services	6623						
Total Services				0			0
Less: Nonregulated	6620						
Net Regulated				0			0
Total Customer Operations Expense				0			0
Less: Nonregulated				0			0
Net Regulated				0			0
Corporate Operations Expense							
Executive	6711						
Planning	6712						
Total Exec. and Planning				0			0
Less: Nonregulated	6710						
Net Regulated				0			0
Accounting and Finance	6721						
External Relations	6722						
Human Resources	6723						
Information Management	6724						
Legal	6725						
Procurement	6726						
Research & Development	6727						
Other General & Administrative	6728						
Total General and Admin.				0			0
Less: Nonregulated	6720						
Net Regulated				0			0
Provision for Uncoll. Notes Receivable							
Less: Nonregulated	6790						
Net Regulated				0			0
Total Corporate Operations Expense				0			0
Less: Nonregulated				0			0
Net Regulated				0			0
Total Expenses				0			0
Less: Nonregulated				0			0
Net Regulated				0			0
</							

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TELEPHONE COMPANY		Page 10					
December 31, 1999							
INCOME ACCOUNTS							
Particulars (a)	Acct. (b)	Last Year (c)			This Year (d)		
		TOTAL	REG	NON REG	TOTAL	REG	NON REG
<b>Other Operating Income and (Expense)</b>							
Income from Custom Work	7110						
Return from Nonregulated Use of Regulated Facilities	7130						
Gains and Losses from Foreign Exchanges	7140						
Gains or Losses from Disposition of Land and Artwork	7150						
Other Operating Gains and (Losses)	7160						
<b>Total Other Operating Income and (Expense)</b>	<b>7100</b>			<b>0</b>			<b>0</b>
<b>Operating Taxes</b>							
Operating Investment Tax Credits - Net	7210						
Operating Federal Income Taxes	7220						
Operating State and Local Income Taxes	7230						
Operating Other Taxes	7240						
Prov for Deferred Oper Inc Taxes - Net	7250						
<b>Total Operating Taxes</b>	<b>7200</b>			<b>0</b>			<b>0</b>
<b>Nonoperating Income and (Expense)</b>							
Dividend Income	7310						
Interest Income	7320						
Income from Sinking and Other Funds	7330						
Allowance for Funds Used During Construction	7340						
Gains or Losses from the Disposition of Certain Property	7350						
Other Nonoperating Income	7360						
Special (Charges)	7370						
<b>Total Nonoperating Income and (Expense)</b>	<b>7300</b>			<b>0</b>			<b>0</b>
<b>Nonoperating Taxes</b>							
Nonoperating Investment Tax Credits - Net	7410						
Nonoperating Federal Income Taxes	7420						
Nonoperating State and Local Income Taxes	7430						
Nonoperating Other Taxes	7440						
Provision for Deferred Nonoper Income Taxes - Net	7450						
<b>Total Nonoperating Taxes</b>	<b>7400</b>			<b>0</b>			<b>0</b>
<b>Interest and Related Items</b>							
Interest on Funded Debt	7510						
Interest Expense - Capital Leases	7520						
Amortization of Debt Issuance Expense	7530						
Other Interest Deductions	7540						
<b>Total Interest and Related Items</b>	<b>7500</b>			<b>0</b>			<b>0</b>
<b>Extraordinary Items</b>							
Extraordinary Income Credits	7610						
Extraordinary Income (Charges)	7620						
Current Income Tax Effects of Extr. Items - Net	7630						
Provision for Def. Inc. Tax Effect of Extr. Items - Net	7640						
<b>Total Extraordinary Items</b>	<b>7600</b>			<b>0</b>			<b>0</b>
<b>Nonregulated Net Income Items</b>							
Income Effect of Jurisdictional Ratemaking Differences - Net	7910						
Nonregulated Net Income	7990						
<b>Total Nonregulated Net Income Items</b>				<b>0</b>			<b>0</b>
<b>Net Income</b>				<b>0</b>			<b>0</b>

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CROCKETT TELEPHONE CO., INC.

YEAR ENDED DECEMBER 31, 1998

USDA-RUS		BORROWER DESIGNATION		Telephone - 1
FINANCIAL AND STATISTICAL REPORT FOR TELEPHONE BORROWERS		TENN 550		
INSTRUCTIONS- See RUS Bulletin 1744-2		YEAR ENDED DECEMBER 31, 1998		
PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS				
ITEM	THIS PERIOD (a)	THIS YEAR (b)	LAST YEAR (c)	BUDGET/ ANALYSIS (d)
1. Local Network Services Revenues		520,350	616,854	
2. Network Access Services Revenues		1,842,414	2,010,794	
3. Long Distance Network Services Revenues		43,324	48,514	
4. Carrier Billing and Collection Revenues		497,350	468,264	
5. Miscellaneous Revenues		-86,881	-325,786	
6. Uncollectible Revenues		3,683	3,915	
7. Net Operating Revenues (1 thru 5 less 6)	0	2,812,875	2,814,725	0
8. Plant Specific Operations Expense		307,063	296,372	
9. Plant Nonspecific Operations Expense (Exclude Depreciation & Amortization)		192,481	161,631	
10. Depreciation Expense		498,636	506,556	
11. Amortization Expense		0	0	
12. Customer Operations Expense		465,983	425,275	
13. Corporate Operations Expense		393,689	381,938	
14. Total Operating Expenses (8 thru 13)	0	1,857,853	1,771,774	0
15. Operating Income or Margin (7-14)	0	955,022	1,042,951	0
16. Other Operating Income and Expense		1,435	1,370	
17. State and Local Taxes		1,977	65,120	
18. Federal Income Taxes		-108,556	386,767	
19. Other Taxes		484,588	-27,685	
20. Total Operating Taxes (17+18+19)	0	378,009	424,203	0
21. Net Operating Income or Margins (15+16-20)	0	578,447	620,118	0
22. Interest on Funded Debt		143,067	147,825	
23. Interest Expense - Capital Leases		0	0	
24. Other Interest Expense		887	3,358	
25. Allowance for Funds Used During Construction		0	0	
26. Total Fixed Charges (22 + 23 + 24 - 25)	0	143,954	151,183	0
27. Nonoperating Net Income		109,552	148,447	
28. Extraordinary Items		0	0	
29. Jurisdictional Differences		0	0	
30. Nonregulated Net Income		-22,866	-14,911	
31. Total Net Income or Margins (21+(27 thru 30)-26)	0	521,180	602,471	0
32. Total Taxes Based on Income		290,747	343,408	
33. Retained Earnings or Margins Beginning-of-Year		2,590,348	4,681,567	
34. Miscellaneous Credits Year-to-Date		0	0	
35. Dividends Declared (Common)		500,000	2,690,980	
36. Dividends Declared (Preferred)		2,670	2,710	
37. Other Debits Year-to-Date		0	0	
38. Transfers to Patronage Capital		0	0	
39. Retained Earnings or Margins End-of-Period		2,608,858	2,590,348	
40. Patronage Capital Beginning of Year		0	0	
41. Transfers to Patronage Capital		0	0	
42. Patronage Capital Credits Retired		0	0	
43. Patronage Capital End-of-Year		0	0	
44. Annual Debt Service Payments		65,261	262,486	
45. Cash Ratio [(14+20-10-11)/7]	ERR	61.76%	60.02%	ERR
46. Operating Accrual Ratio [(14+20+26)/7]	ERR	84.60%	83.39%	ERR
47. TIER [(31+26)/26]	ERR	462.05%	498.50%	ERR

NOTES TO FINANCIAL STATEMENTS:

CROCKETT TELEPHONE CO., INC.

YEAR ENDED DECEMBER 31, 1998

USDA-RUS <b>FINANCIAL AND STATISTICAL REPORT FOR TELEPHONE BORROWERS</b>	BORROWER DESIGNATION TENN 550
INSTRUCTIONS - SEE RUS Bulletin 1744-2	YEAR ENDED DECEMBER 31, 1998

**PART C. SUBSCRIBER (ACCESS LINE) DATA**

\_\_\_\_(See Part C Continuation Attached)

ITEM	1. RATES		2. BUSINESS SUBSCRIBERS (Access Lines)					3. RESIDENCE SUBSCRIBERS (Access Lines)			
	B-1 (a)	R-1 (b)	1 PARTY (a)	2 PARTY (b)	4 PARTY (c)	PAY (d)	TOTAL (e)	1 PARTY (a)	2 PARTY (b)	4 PARTY (c)	TOTAL (d)
Alamo	24.14	10.54	615	0	0	29	644	1,612	0	0	1,612
Friendship	24.14	10.54	108	0	0	5	113	894	0	0	894
Maury City	24.14	10.54	125	0	0	8	133	1,071	0	0	1,071
							0				0
							0				0
							0				0
							0				0
							0				0
							0				0
							0				0
							0				0
							0				0
							0				0
<b>TOTAL</b>			<b>848</b>	<b>0</b>	<b>0</b>	<b>42</b>	<b>890</b>	<b>3,577</b>	<b>0</b>	<b>0</b>	<b>3,577</b>

ITEM	NUMBER			BILLED ACCESS MINUTES	ORIGINATING	TERMINATING
	BUSINESS (a)	RESIDENCE (b)	TOTAL (c)			
4. Total Subscribers (Access Lines) *			4,467			
5. Gain (Loss) in Access Lines (During Period)	42	47	89			
6. Held Applications (End of Period)	0	0	0			
7. Mobile Radio Telephones in Service	0	0	0			
8. Paging Units in Service			0			
9. Cellular Subscribers*			0			
10. Official Stations (Access Lines)	20		20			
* Total Subscribers (4c) = Business Sub. (2e total) + Residence Sub. (3d total) + Mobile Radio Telephones in Service (7c) + Cellular Subscribers (9c)				11. Interstate, Inter-LATA	2,384,513	6,039,331
				12. Interstate, Intra-LATA	0	0
				13. Intrastate, Inter-LATA	289,572	579,756
				14. Intrastate, Intra-LATA	6,462,970	4,690,982
				15. No. Plant Employees		
				16. No. Other Employees	8	4

**PART D. ANALYSIS OF TELECOMMUNICATIONS PLANT ACCOUNTS**

ACCOUNTS	BEGINNING BALANCE (a)	PLANT ADDED (b)	PLANT RETIRED (c)	ADJUST'S & TRANSFERS (d)	BALANCE END OF YEAR (e)
1. Land and Support Assets	653,876	49,762			703,637
2. Central Office Switching	1,702,266	28,553			1,730,819
3. Operator Systems	0				0
4. Central Office Transmission	471,328	67,274			538,603
5. Infor. Orig./Term Assets	89,589				89,589
6. Cable and Wire Facilities	4,782,763	65,730	8,937		4,839,557
7. Amortizable Tangible Assets	0				0
8. Intangibles	3,940				3,940
<b>9. Subtotal (1 thru 8)</b>	<b>7,703,763</b>	<b>211,319</b>	<b>8,937</b>	<b>0</b>	<b>7,906,145</b>
10. Telecommunications Plant Acquired					0
11. Telecommunications Plant Sold					0
<b>12. Subtotal (9+10+11)</b>	<b>7,703,763</b>	<b>211,319</b>	<b>8,937</b>	<b>0</b>	<b>7,906,145</b>
13. Property Held for Future Use	0				0
14. Telecommunications Plant Under Construction	25,690	290,693			316,383
15. Telecommunications Plant Adjustment					0
16. Nonoperating Plant					0
17. Goodwill					0
<b>18. Total (12 thru 17)</b>	<b>7,729,453</b>	<b>502,011</b>	<b>8,937</b>	<b>0</b>	<b>8,232,528</b>

YEAR ENDED DECEMBER 31, 1998

USDA-RUS FINANCIAL STATISTICAL REPORT FOR TELEPHONE BORROWERS		BORROWER DESIGNATION TENN 550	
		YEAR ENDED DECEMBER 31, 1998	
INSTRUCTIONS - See RUS TOM 1800			
<b>PART B. ANALYSIS OF DEPRECIATION RESERVE</b>		<b>PART F. FUNDS INVESTED IN PLANT DURING YEAR</b>	
1. Depreciation Reserve Balance -Beginning of year	5,504,261	1. RUS, RTB & FFB Loan Funds Expended	
2. Additions -		2. Other Long-Term Loan Funds Expended	
Depreciation Expense (Same as Part B, line 10)	498,636	3. Funds Expended Under RUS Interim Approval	
3. Less Plant Retirements:		4. Other Short-Term Loan Funds Expended	
a. Original Cost of Plant Retired (Part D, line 9c less line 8c)	8,937	5. General Funds Expended (Other Than Interim)	502,011
b. Removal Costs	629	6. Salvaged Materials	
c. Subtotal (3a + 3b)	9,566	7. Contribution in Aid of Construction	
4. Plus Salvage		8. Gross Additions to Telephone Plant (1 thru 7)	502,011
5. Subtotal (2 + 4 - 3c)	489,071		
6. Other Adjustments - Debit or Credit			
7. Balance - End of Year (1 + 5 + 6)	5,993,348		

## PART G. CENTRAL OFFICE PLANT

(See Part G Continuation Attached)

EXCHANGE NAME  (a)	NUMBER OF SWITCHES			NUMBER OF ACCESS LINES SERVED BY:		ROUTE MILES OF LINE	
	DIGITAL		ANALOG	DIGITAL SWITCHES	ANALOG SWITCHES	TOTAL	FIBER
	HOST	REMOTE				(include fiber)	
	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Alamo	1	0	0	2,260	0	144	5
Friendship	0	1	0	1,020	0	134	3
Maury City	0	1	0	1,207	0	162	6
Route mileage outside of exch. area							
NUMBER OF EXCHANGES	1	2	0	4,487	0	440	14
<b>SYSTEM TOTALS</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>4,487</b>	<b>0</b>	<b>440</b>	<b>14</b>

## PART H. SYSTEM DATA

1. No. of Toll Trunk Terminations	2. No. of EAS Trunk Terminations	3. Square Miles Served	4. Access Lines Per Square Mile	5. Subscribers per route mile
216	96	216	20.68	10.15

## PART I. TOLL DATA

1. Type of Toll Settlements (Check one):		Interstate:	<input checked="" type="checkbox"/>	Avg. Sch.	<input type="checkbox"/>	Cost Basis
		Intrastate:	<input checked="" type="checkbox"/>	Avg. Sch.	<input type="checkbox"/>	Cost Basis
2. If average, do you have a planned date to convert to cost? (Check one)						
If yes, when?		<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No	
3. Are you a participant in the NECA Interstate Traffic Sensitive Pool? (Check one)						
		<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	
4. What type of Inter-LATA and Intra-LATA settlements do you have in your service area? Give a brief explanation below.						
Intrastate Inter-LATA settlements are derived from access charges to interexchange carriers						
Intrastate Intra-LATA settlements are distributed through a partnership agreement with all state						
telephone companies sharing in the revenues using an access plan.						

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CROCKETT TELEPHONE CO., INC.

YEAR ENDED DECEMBER 31, 1998

USDA-RUS FINANCIAL AND STATISTICAL REPORT FOR TELEPHONE BORROWERS			BORROWER DESIGNATION TENN 550 YEAR ENDED DECEMBER 31, 1998		
INSTRUCTIONS - See RUS Bulletin 1744-2					
PART J. GENERAL FUNDS AND INVESTMENTS					
NAME OF COMPANY OR INVESTMENT  (a)	CURRENT YEAR DATA		CUMULATIVE DATA		
	INVESTMENT THIS YEAR (b)	INCOME OR LOSS THIS YEAR (c)	CUMULATIVE INVESTMENT TO DATE (d)	CUMULATIVE INCOME OR LOSS TO DATE (e)	CURRENT BALANCE (f)
1. Investment in Affiliated Companies -Rural Development					
TOTAL (Same as Part A, Line 12a)					0
2. Investment in Affiliated Companies -Not Rural Development					
TOTAL (Same as Part A, Line 12b)					0
COMPANY, INVESTMENT, OR DEPOSITORY NAME (a)	FORM OR TYPE OF INVESTMENT (b)		MATURITY DATE (c)	CURRENT BALANCE (d)	
3. Other Investments -Rural Development					
TOTAL (Same as Part A, Line 13a)				0	
4. Other Investments -Not Rural Development Rural Telephone Bank Stock					
Stock in Coop Lenders				4,082	
TOTAL (Same as Part A, Line 13b)				4,082	
5. Nonregulated Investments & Nonregulated Material					
Equipment Held for Lease	Nonregulated Leased Stations			51,650	
Materials and Supplies	Nonregulated Materials and Supplies			4,913	
Internet Prov. - Nonreg. Computer	Nonregulated Computer Equipment			41,897	
Public Telephone Terminal Equipment	Nonregulated Public Telephone Terminal Equipment			10,263	
TOTAL (Same as Part A, Line 14 + Line 8)				108,724	
6. Cash & Equivalents					
Various Banks	General/Payroll			58,299	
Various Banks	Petty Cash			515	
Various Banks	Money Market			3,464,251	
TOTAL (Same as Part A, Line 1)				3,523,065	
TOTAL GENERAL FUNDS AND INVESTMENTS					3,635,870

22695

CROCKETT TELEPHONE CO., INC. <b>USDA-RUS</b> <b>FINANCIAL AND STATISTICAL REPORT</b> <b>FOR TELEPHONE BORROWERS</b> <small>INSTRUCTIONS - See RUS Bulletin 1744-2</small>	<b>YEAR ENDED DECEMBER 31, 1998</b> BORROWER DESIGNATION TENN 550 YEAR ENDED DECEMBER 31, 1998
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**PART K. NOTES RECEIVABLE (Account 1200)**

NAME OF DEBTOR (Specify if Officer or Director; if Employee, give Title) (a)	DATES		INTEREST	CURRENT
	ISSUE (b)	MATURITY (c)	RATE (d)	BALANCE (e)
N/A				
Total (Same as Part A, Line 5)				0

**PART L. OTHER ACCOUNTS RECEIVABLE (Account 1190)**

NAME OF DEBTOR (Specify if Officer or Director; if Employee, give Title) (a)	AMOUNT (b)
<b>1. Affiliates</b>	
N/A	
Total (Same as Part A, Line 4a)	
<b>2. Non-Affiliates</b>	
N/A	
Total (Same as Part A, Line 4b)	

**PART M. NOTES PAYABLE**

NAME OF CREDITOR (a)	Description of Transaction (Give Type and Purpose) (b)	DATES		INTEREST	CURRENT
		ISSUE (c)	MATURITY (d)	RATE (e)	BALANCE (f)
N/A					
Total (Same as Part A, Line 27)					0

**PART N. COMPENSATION OF OFFICERS, DIRECTORS, AND MANAGERS**

NAME AND TITLE OF PERSON (a)	END OF YEAR ANNUAL SALARY RATE (b)	AMOUNT PAID DURING YEAR		
		SALARY (c)	OTHER COMP. (d)	TOTAL COMP. (e)
Joseph D. Fail, President and Director	0	0	3,000	3,000
Walter J. Frank, Jr., Vice President and Director	0	0	3,000	3,000
James E. Wingo, Vice President	18,700	19,198	140	19,338
Nancy W. Fail, Director	0	0	3,000	3,000
Joey F. Garner, Director	0	0	3,000	3,000



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CROCKETT TELEPHONE CO., INC.

YEAR ENDED DECEMBER 31, 1998

USDA-RUS

BORROWER DESIGNATION

TENN 550

**FINANCIAL AND STATISTICAL REPORT  
FOR TELEPHONE BORROWERS**

YEAR ENDED DECEMBER 31, 1998

**PART O. CURRENT DEPRECIATION RATES**
**INSTRUCTIONS**

- (a) Indicate whether or not company's depreciation rates are subject to TRA approval.
- (b) If company's depreciation rates are subject to TRA approval, insert the Authority approved rate (expressed as a percentage shown to two decimal places; e.g. 7.50) used for each equipment category which applies to your system (please indicate using "NA" if your system does not have plant in a specific category. If your system has more than one depreciation rate for a specific category, provide an average rate weighted in proportion to plant value.
- (c) If company's depreciation rates are not subject to Authority approval, insert the actual annual depreciation rate (expressed as a percentage shown to two decimal places; e.g. 7.50) used for each equipment category which applies to your system (please indicate using "NA" if your system does not have plant in a specific category). If your system has more than one depreciation rate for a specific category, provide an average rate weighted in proportion to plant value.

**(a) Are company's depreciation rates subject to TRA approval?**
(check one) ☒ YES ☐ NO
**(b) Depreciation Rates:**

EQUIPMENT CATEGORY	DEPRECIATION RATE
1. Buildings	3.00%
2. Office Equipment - General	5.00%
3. COE General [See footnote (a) below]	7.53%
4. COE Digital	8.00%
5. Digital Software [See footnote (b) below]	8.00%
6. COE Electronic Equipment —B[See Footnote (c) below]	7.53%
7. COE Radio	N/A%
8. COE Composite [See footnote (d) below]	6.00%
9. Radiotelephone	N/A%
10. PBX	N/A%
11. Pay Stations	5.00%
12. Pole Lines	7.00%
13. Aerial Cable - Metal	7.00%
14. Aerial Cable - Fiber	7.00%
15. Underground Cable - Metal	7.00%
16. Underground Cable - Fiber	7.00%
17. Buried Cable - Metal	7.00%
18. Buried Cable - Fiber	7.00%
19. Underground Conduit	1.70%
20. Motor Vehicles	12.00%
21. Vehicles - Other	12.00%
22. Tool & Work Equipment	12.00%

**FOOTNOTES:**

- (a) Weighted average of all COE accounts.  
(b) Digital software upgrade including hardware.

- (c) COE Electronic equipment except radio.  
(d) Weighted average of all COE accounts except switching equipment.

**NOTES:**



CROCKETT TELEPHONE CO., INC.

YEAR ENDED DECEMBER 31, 1998

**RETURN ON AVERAGE RATE BASE COMPUTATION**

**All amounts should be calculated in a manner consistent with the last Rate Order issued by the TRA for this company.**

Note: Report on a corporate basis only; not consolidated. Fill out this schedule using the method required for completing the monthly rate of return forms. If you do not file monthly forms then follow the instructions given on this schedule. For those utilities not filing monthly reports "average" for purposes of this schedule means beginning of year plus end of year, divided by two.

Explanation (a)	Amount (b)
Additions:	
Plant in Service	7,783,779
Plant Under Construction	85,044
Property Held For Future Use	0
Materials & Supplies	32,213
Other Additions (Itemize):	
Working Capital	113,268
Total Additions (Lines 12 thru 20)	8,014,304
Deductions:	
Accumulated Depreciation	5,745,238
Accumulated Deferred Income Taxes	-329,117
Unamortized Investment Credit - Pre 1971	92,815
Customer Deposits	14,352
Other Deductions (Itemize):	
Deferred Revenue - TPSC ordered	321,635
Total Deductions (Lines 24 thru 31)	5,844,922
Rate Base (Line 21 minus Line 32)	2,169,382
Net Operating Income (NOI) (p. 8, col. b, line 21)	578,447
Adjustments to NOI (Itemize):	
Less: Interest on Customer Deposits	-823
Add: Inside Wiring (NOI)	-14,037
Add: Parent Tax Savings	25,284
Adjusted NOI (Lines 36 thru 44)	588,872
Return on Average Rate Base (line 45 divided by line 34)	27.14%
Target Return Specified by TRA (see p. 14)	0.00%

26295

CROCKETT TELEPHONE CO., INC.

YEAR ENDED DECEMBER 31, 1998

## STATEMENT OF CASH FLOWS

Item (a)	Amount (b)
<b>Cash Flows from Operating Activities</b>	
Net income	521,180
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:	
Depreciation and amortization	498,636
Interest during construction	
Changes in assets and liabilities:	
Receivables (net)	-552
Materials and supplies	-7,056
Other current assets	1,152
Accounts payable	76,108
Accrued payroll	1,927
Accrued taxes	9,260
Other accrued liabilities	-725,121
Other (specify):	
Nonregulated Depreciation	22,169
Decrease in Deferred Credits	-294,722
Decrease in Customer Deposits	1,150
Decrease in Deferred Charges and Other Assets	288,350
<b>Total adjustments (Lines 10 thru 25)</b>	<b>-128,698</b>
<b>Net Cash Provided by Oper. Activities (Line 7 plus Line 26)</b>	<b>392,482</b>
<b>Cash Flow from Investing Activities</b>	
Capital Expenditures:	
Utility construction	-502,640
Nonoperating investments	
Other (specify):	
Increase in Nonregulated Plant	-1,888
Increase in Accounts Payable From Related Parties	16,735
<b>Net Cash Used in Investing Activities (Lines 30 thru 37)</b>	<b>-487,793</b>
<b>Cash Flow from Financing Activities</b>	
Principal payments under capital lease obligation	
Proceeds from issuance of note payable	
Proceeds from issuance of common stock	0
Proceeds from issuance of preferred stock	
Change in short term borrowing (net)	
Dividends paid	-502,670
Other (specify):	
Principal Payments on Long-Term Debt	-117,911
<b>Net Cash Provided by Financing Activities (Lines 40 thru 51)</b>	<b>-620,581</b>
<b>Net increase in cash and cash equivalents (Line 27 + Line 38 + Line 52)</b>	<b>715,893</b>
Cash and cash equivalents at beginning of year (Accts 1130-1160)	4,248,168
Cash and cash equivalents at end of year (Accts 1130-1160)	3,532,275

27695

CROCKETT TELEPHONE CO., INC.

YEAR ENDED DECEMBER 31, 1998

**AFFILIATED INTEREST TRANSACTIONS**

Provide a summary of affiliated transactions in columns (b) - (f) as prescribed by Part 32 accounting.

Where an affiliate is both providing and receiving services, use one column to show billings to the affiliate, and a second column to show billings from the affiliate.

Particulars (a)	(b)	(c)	(d)	(e)	(f)
Name of Affiliate	TEC Parent	TEC Services	West Tn. Tel.	Fail Engineering	Village GLO Prop.
Designate whether billed to or from:	From	From	From	From	From
Expenses:					
Network Support (6110)					
General Support (6120)					
CO Switching (6210)					
CO Transmission (6230)					
Info Originating/Termination (6310)					
Cable & Wire Fac (6410)					
Other Property, Plant & Equip. (6510)					
Network Operations (6530)	27,657	68,916			
Depreciation and Amortization (6560)					
Marketing (6610)					
Services (6620)		212,145			
Exec & Planning (6710)	21,197		28,781		
General and Administrative (6720)	97,930	86,034	30,707		
<b>Total Operating Expenses</b>	<b>146,784</b>	<b>367,095</b>	<b>59,487</b>	<b>0</b>	<b>0</b>
Other:					
Plant Accounts				28,067	
Accumulated Depreciation					
Accumulated Amortization					
Clearing					
All Other	576	996			9,000
<b>Total Other</b>	<b>576</b>	<b>996</b>	<b>0</b>	<b>28,067</b>	<b>9,000</b>
<b>Total</b>	<b>147,360</b>	<b>368,091</b>	<b>59,487</b>	<b>28,067</b>	<b>9,000</b>
Particulars (g)	(h)	(i)	(j)	(k)	(l)
Name of Affiliate	Communigroup				
Designate whether billed to or from:	To	TO / FROM ?	TO / FROM ?	TO / FROM ?	TO / FROM ?
Expenses:					
Network Support (6110)					
General Support (6120)					
CO Switching (6210)					
CO Transmission (6230)					
Info Originating/Termination (6310)					
Cable & Wire Fac (6410)					
Other Property, Plant & Equip. (6510)					
Network Operations (6530)					
Depreciation and Amortization (6560)					
Marketing (6610)					
Services (6620)					
Exec & Planning (6710)					
General and Administrative (6720)					
<b>Total Operating Expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Other:					
Plant Accounts					
Accumulated Depreciation					
Accumulated Amortization					
Clearing					
All Other	18,022				
<b>Total Other</b>	<b>18,022</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>18,022</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

YEAR ENDED DECEMBER 31, 1998

For affiliates, list receivables by affiliate. Other is to be reported in the aggregate.

482,354

If the accrual method is different than last year, explain the basis used to determine charges to account 5301 for Class A.

69,194

**Explanation:**

YEAR ENDED DECEMBER 31, 1998

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CROCKETT TELEPHONE CO., INC.

YEAR ENDED DECEMBER 31, 1996

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**OTHER PREPAYMENTS (Acct. 1330)**

List individually items that are larger than 10% of account balance; otherwise, group by type. Show all primary clearing accounts maintained.

Particulars (a)	Balance EOY (b)
Prepaid Insurance	1,637
<b>Total (Lines 9 thru 17)</b>	<b>1,637</b>

**OTHER NONCURRENT ASSETS (Acct. 1410)**

List individually items that are larger than 10% of account balance; otherwise, group by type.

Name (a)	Balance EOY (b)
NONE	
<b>Total Other Noncurrent Assets (Lines 26 thru 35)</b>	<b>0</b>

**PROPERTY HELD FOR FUTURE TELECOM USE & ACCUMULATED DEPRECIATION**

Report individually items over 10% of account balance. Other items may be grouped by type of property involved.

Description of Property (a)	Date Originally Recorded in Account 2002 (b)	Expected Date of Service (c)	Balance EOY (d)
Property (Acct. 2002)			
NONE			
<b>Total Property (Lines 48 thru 57)</b>			<b>0</b>
<b>Less: Accumulated Depreciation (Acct. 3200)</b>			
<b>Net Property Held for Future Telephone Use</b>			<b>0</b>



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Aggregate of all other items  
Total (Lines 38 thru 59)

## List by class of property.

## ANALYSIS OF CAPITAL LEASES

List in column (a) each category of plant (Class A account level) for which capital leases are recorded.

Type Of Property  (a)	Capitalized Asset Acct. 2681  (b)	Service Life or Rate  (c)	Accumulated Amortization Acct. 3410  (d)	Net Capitalized Asset  (e)	Lease Obligation	
					Current Account 4060  (f)	Long-Term Account 4250  (g)
NONE					0	
					0	
					0	
					0	
					0	
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					0	
					0	
					0	
Total (Lines 41 thru 59)	0		0	0	0	0

33895

**Page 4**

340695

CROCKETT TELEPHONE CO., INC.

YEAR ENDED DECEMBER 31, 1998

## TELECOMMUNICATIONS PLANT IN SERVICE - CLASS A

Plant Account (a)	Acct (b)	Balance FOY (c)	Additions (d)
<b>General Support Assets</b>			
Land	2111	15,533	
Motor Vehicles	2112	155,753	44,406
Aircraft	2113	0	
Special Purpose Vehicles	2114	0	
Garage Work Equipment	2115	0	
Other Work Equipment	2116	104,708	
Buildings	2121	236,992	2,400
Furniture	2122	14,503	
Office Equipment	2123	17,340	
General Purpose Computers	2124	109,047	2,955
<b>Total - General Support Assets: (Lines 8 thru 17)</b>		<b>653,876</b>	<b>49,762</b>
<b>Central Office Assets</b>			
Analog Electronic Switching	2211	0	
Digital Electronic Switching	2212	1,702,266	28,553
Electro-Mechanical Switching	2213	0	
Operator Systems	2220	0	
Radio Systems	2231	0	
Circuit Equipment	2232	471,328	67,274
<b>Total - Central Office Assets: (Lines 20 thru 25)</b>		<b>2,173,595</b>	<b>95,827</b>
<b>Information Origination/Termination Assets</b>			
Station Apparatus	2311	0	
Customer Premises Wiring	2321	89,589	
Large Private Branch Exchanges	2341	0	
Public Telephone Terminal Equipment	2351	0	
Other Terminal Equipment	2362	0	
<b>Total - Info. Orig./Term. Assets: (Lines 28 thru 32)</b>		<b>89,589</b>	<b>0</b>
<b>Cable Wire Facilities Assets</b>			
Poles	2411	703,448	5,714
Aerial Cable	2421	2,482,279	21,640
Underground Cable	2422	126,159	
Buried Cable	2423	1,438,284	38,377
Submarine Cable	2424	0	
Deep Sea Cable	2425	0	
Intrabuilding Network Cable	2426	0	
Aerial Wire	2431	0	
Conduit Systems	2441	32,593	
<b>Total - Cable Wire Facilities Assets: (Lines 35 thru 43)</b>		<b>4,782,763</b>	<b>65,730</b>
<b>Amortizable Assets</b>			
Capital Leases	2681	0	
Leasehold Improvements	2682	0	
Intangibles	2690	3,940	
<b>Total Amortizable Assets</b>		<b>3,940</b>	<b>0</b>
<b>Total Telecom. Plant in Service</b>	2001	<b>7,703,763</b>	<b>211,319</b>

Explain all amounts shown in column (g):

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GROCKETT TELEPHONE CO., INC.

YEAR ENDED DECEMBER 31, 1998

**TELECOMMUNICATIONS PLANT IN SERVICE - CLASS A (cont.)**

Account (e)	Retirements (f)	Transfers & Adjustments (g)	Balance EOY (h)
2111			15,533
2112			200,159
2113			0
2114			0
2115			0
2116			104,708
2121			239,392
2122			14,503
2123			17,340
2124			112,002
	0	0	703,637
2211			0
2212			1,730,819
2215			0
2220			0
2231			0
2232			538,603
	0	0	2,269,422
2311			0
2321			89,589
2341			0
2351			0
2362			0
	0	0	89,589
2411	5,645		703,517
2421			2,503,919
2422			126,159
2423	3,292		1,473,369
2424			0
2425			0
2426			0
2431			0
2441			32,593
	8,937	0	4,839,557
2681			0
2682			0
2690			3,940
	0	0	3,940
2001	8,937	0	7,906,145

Explain all amounts shown in column (g):

\* REVISE TO FIT NEW FORMAT \*

36.895

[illegible]

YEAR ENDED DECEMBER 31, 1998

37695

## ACCUMULATED DEPRECIATION - CLASS A

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
<b>General Support Assets</b>					
Motor Vehicles	2112	155,753	12.00%	0	
Aircraft	2113	0			
Special Purpose Vehicles	2114	0			
Garage Work Equipment	2115	0			
Other Work Equipment	2116	103,963	12.00%	745	
Buildings	2121	122,055	3.00%	7,140	
Furniture	2122	14,503	5.00%	0	
Office Equipment	2123	9,634	5.00%	829	
General Purpose Computers	2124	109,047	25.00%	2,955	
<b>Total - General Support Assets:</b>		<b>514,954.78</b>		<b>11,669</b>	<b>0</b>
<b>Central Office Assets</b>					
Analog Electronic Switching	2211	0			
Digital Electronic Switching	2212	723,062	8.00%	136,823	
Electro-Mechanical Switching	2215	0			
Operator Systems	2220	0			
Radio Systems	2231	0			
Circuit Equipment	2232	318,931	6.00%	15,485	
<b>Total - Central Office Assets:</b>		<b>1,041,994</b>		<b>152,307</b>	<b>0</b>
<b>Information Origination/Termination Assets</b>					
Station Apparatus	2311	0			
Customer Premises Wiring	2321	89,589	0.00%		
Large Private Branch Exchanges	2341	0			
Public Telephone Terminal Equipment	2351	0			
Other Terminal Equipment	2362	0			
<b>Total - Information Orig./Term. Assets</b>		<b>89,589</b>		<b>0</b>	<b>0</b>
<b>Cable Wire Facilities Assets</b>					
Poles	2411	472,718	7.00%	49,238	
Aerial Cable - Metal	2421	2,005,281	7.00%	158,999	
Aerial Cable - Fiber	2421	15,519	7.00%	15,519	
Underground Cable - Metal	2422	108,222	7.00%	7,713	
Underground Cable - Fiber	2422	1,118	7.00%	1,118	
Buried Cable - Metal	2423	1,234,810	7.00%	100,229	
Buried Cable - Fiber	2423	1,290	7.00%	1,290	
Submarine Cable	2424	0			
Deep Sea Cable	2425	0			
Intrabuilding Network Cable - Metal	2426	0			
Intrabuilding Network Cable - Fiber	2426	0			
Aerial Wire	2431	0			
Conduit Systems	2441	18,765	1.70%	554	
<b>Total - Cable Wire Facilities Assets:</b>		<b>3,857,723</b>		<b>334,660</b>	<b>0</b>
<b>Total Accumulated Depreciation</b>	<b>3100</b>	<b>5,504,261</b>		<b>498,636</b>	<b>0</b>

Explain all amounts shown in column (k).

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## ACCUMULATED DEPRECIATION - CLASS A (cont.)

Account (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)
2112					
2113					155,753
2114					0
2115					0
2116					0
2121					104,708
2122					129,194
2123					14,503
2124					10,463
					112,002
	0	0	0	0	526,624
2211					0
2212					859,885
2215					0
2220					0
2231					0
2232					0
	0	0	0	0	334,416
					1,194,301
2311					0
2321					89,589
2341					0
2351					0
2362					0
	0	0	0	0	89,589
2411	5,645	629			515,683
2421					2,164,280
2421					31,037
2422					115,935
2422					2,237
2423	3,292				1,331,747
2423					2,581
2424					0
2425					0
2426					0
2426					0
2431					0
2441					19,319
	8,937	629	0	0	4,182,818
3100	8,937	629	0	0	5,993,331

Explain all amounts shown in column (k).



**ACCUMULATED DEFERRED FIT - ACCELERATED DEPRECIATION - CLASS A**

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Current Year Amount (d)
<b>General Support Assets</b>			
Motor Vehicles	2112	0	0
Aircraft	2113		
Special Purpose Vehicles	2114		
Garage Work Equipment	2115		
Other Work Equipment	2116		
Buildings	2121		
Furniture	2122		
Office Equipment	2123		
General Purpose Computers	2124		
<b>Total - General Support Assets: (Lines 8 thru 16)</b>		0	0
<b>Central Office Assets</b>			
Analog Electronic Switching	2211		
Digital Electronic Switching	2212		
Electro-Mechanical Switching	2215		
Operator Systems	2220		
Radio Systems	2231		
Circuit Equipment	2232		
<b>Total - Central Office Assets: (Lines 19 thru 24)</b>		0	0
<b>Information Origination/Termination Assets</b>			
Station Apparatus	2311		
Customer Premises Wiring	2321		
Large Private Branch Exchanges	2341		
Public Telephone Terminal Equipment	2351		
Other Terminal Equipment	2362		
<b>Total - Info. Orig./Term. Assets: (Lines 27 thru 31)</b>		0	0
<b>Cable Wire Facilities Assets</b>			
Poles	2411		
Aerial Cable - Metal	2421		
Aerial Cable - Fiber	2421		
Underground Cable - Metal	2422		
Underground Cable - Fiber	2422		
Buried Cable - Metal	2423		
Buried Cable - Fiber	2423		
Submarine Cable	2424		
Deep Sea Cable	2425		
Intrabuilding Network Cable - Metal	2426		
Intrabuilding Network Cable - Fiber	2426		
Aerial Wire	2431		
Conduit Systems	2441		
<b>Total - Cable Wire Facilities Assets: (Lines 34 thru 46)</b>		0	0
<b>Total Accum. Def. FIT - Acc. Depr. (Line 17+25+32+47)</b>		0	0
Explain all amounts shown in column (f)			

**ACCUMULATED DEFERRED FIT - ACCELERATED DEPRECIATION - CLASS A (cont.)**

Account (a)	Other (f)	Balance EOY (g)
2112	0	0
2113		0
2114		0
2115		0
2116		0
2121		0
2122		0
2123		0
2124		0
	0	0
2211		0
2212		0
2215		0
2220		0
2231		0
2232		0
	0	0
2311		0
2321		0
2341		0
2351		0
2362		0
	0	0
2411		0
2421		0
2421		0
2422		0
2422		0
2423		0
2423		0
2424		0
2425		0
2426		0
2426		0
2431		0
2441		0
	0	0
	0	0

Explain all amounts shown in column (f)

Enclose the worksheet used to compute the depreciation for FIT purposes.

YEAR ENDED DECEMBER 31, 1998

41695

### ANALYSIS OF LEASEHOLD IMPROVEMENTS (Acct. 2682)

### ANALYSIS OF INTANGIBLES (Acct. 2690)

Type of Intangible (a)	Capitalized Asset Acct. 2690 (b)	Service Life or Rate (c)	Accumulated Amortization Account 3500 (d)	Net Capitalized Asset (e)	Amortization Expense- Tangible Acct. 6564 (f)
Organization Costs*	3,940			0	
				3,940	
				0	
				0	
* These costs have never been amortized				0	
				0	
				0	
				0	
				0	
				0	
				0	
				0	
				0	
				0	
				0	
				0	
				0	
				0	
				0	
				0	
				0	
				0	
Total (Lines 37 thru 57)	3,940		0	3,940	0

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**ACCOUNTS PAYABLE (Acct. 4010)**

For affiliates, list payables by affiliate. For other, list significant items: however, at a minimum list the 5 largest items over \$1,000 and less than \$100,000 and all items larger than \$100,000. For companies with revenues over \$100,000,000 report 5 largest amounts by vendor. Report remainder of account by category. Categories should be relevant to the type of liability that was incurred. See USOA for major category description.

Name (a)	Balance EOY (b)
Affiliated:	
West Tennessee Telephone Co., Inc.	
TEC Services, Inc.	4,283
Joseph Fail Engineering, Inc.	34,084
Telephone Electronics Corporation	833
	11,492
<b>Total Affiliated (Lines 13 thru 24)</b>	
Other:	50,692
Acct. 401021-0000 - Nonaffiliated Miscellaneous Vendors	147,486
Acct. 401021-2200 - Nonaffiliated SCB - Local Transport	1,622
Acct. 401021-2300 - Nonaffiliated SCB - Tandem Switch	532
Acct. 401021-5000 - Nonaffiliated - Toll Billing	-6,375
Acct. 401021-7000 - Nonaffiliated - U.S. INTELCO	10,271
Acct. 401024-0000 - Federal Excise Taxes	5,409
Acct. 401025-0000 - Payroll	11,135
Acct. 401026-2000 - 911 Collections	4,075
Acct. 401026-2700 - Employee Group Insurance	753
Acct. 401700-0000 - Dividends	250
<b>Total Other (Lines 27 thru 43)</b>	175,157
<b>Total Accounts Payable (Line 25 + Line 44)</b>	225,849

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## LONG-TERM DEBT

Report data requested and show total for each long-term debt account at end of year.

[illegible]

**PREMIUM AND DISCOUNT ON LONG-TERM DEBT (Accts. 4220 & 4230)**

Report below the particulars called for with respect to the unamortized debt discount and premium applicable to each class and series of long-term debt. Show separately any unamortized debt discount or call premium applicable to refunded issues, including separate subtotal thereof. Explain any charges or credits in column (e) and (f) (on facing page) other than amortization to Acct. 7510.

Description of Debt to Which Related <small>(a)</small>	Original Amount of Related Debt <small>(b)</small>	Original Discount or net Premiums <small>(c)</small>	Balance FOY <small>(d)</small>
Premiums (4220):			
Total (Lines 50 thru 53)	0	0	0
Discounts (4230):			
Total (lines 56 thru 61)	0	0	0

44895

For account 4050 report only the amount of debt anticipated to be repaid in one year or less

**PREMIUM & DISCOUNT LONG-TERM DEBT (Accts. 4220&4230) (cont.)**

**Explanation:**

Explanation:			
Debits during year (e)	Credits during year (f)	Balance EOY (g)	
			0
			0
			0
			0
			0
0	0		0
			0
			0
			0
			0
			0
			0
0	0		0

45 of 95

<b>Class and Series</b> <b>(a)</b>	<b>Shares authorized by charter</b> <b>(b)</b>	<b>Par value per share</b> <b>(c)</b>	<b>Call Price end of year</b> <b>(d)</b>
<b>Preferred stock:</b>			
5% Cumulative	650	100.00	
<b>Total preferred stock (L9 thru L15)</b>	<b>650</b>		
<b>Total common stock</b>	<b>700</b>		
<b>Total (Lines 16 and 17)</b>	<b>1,350</b>		

Explanation (a)	Balance EOY (b)
Additional Paid-in-Capital (Acct. 4520)	
NONE	
<b>Total Account 4520 (Lines 26 thru 30)</b>	0
Other Capital (Acct. 4540)	
<b>Total Account 4540 (Lines 33 thru 37)</b>	0

Type of indirect cost (a)	Amount charged construction (b)
Salaries, Benefits, and Other	4,658
<b>Total (Lines 48 thru 59)</b>	<b>4,658</b>





YEAR ENDED DECEMBER 31, 1998

470695

**OTHER LONG-TERM LIABILITIES (Acct. 4310)**

List by category.

Explanation  
(a)Balance  
EOY  
(b)

NONE

**Total (Lines 8 thru 16)**

0

**OTHER DEFERRED CREDITS (Acct. 4360)**

1. List significant items, however, at a minimum list the 5 largest items over \$1,000 and all items larger than \$100,000.
2. The balancing amounts applicable to account 4360 shall be described in column (a) respectively as "aggregate of all other items" and shown on the line immediately preceding the total.

Description  
of items  
(a)Balance  
EOY  
(b)

Deferred Tax Liability Federal

81,950

Deferred Tax Liability State

-34,450

**Total (Lines 27 thru 57)**

47,500

Aggregate of all other items

**Total (Line 58 thru 59)**

47,500

YEAR ENDED DECEMBER 31, 1998

48895

**RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME**

1. Report hereunder a reconciliation of net income with estimated taxable income used in computing income tax accruals and show computation of tax accruals.
2. If utility is a member of group which files a consolidated tax return, reconcile reported net income with federal taxable income had a separate tax return been filed. Explain basis of allocation of tax liability among members of the group.

Particulars (a)	State (b)	Federal (c)
Net income for year as reported	521,180	521,180
State income tax - current	-13	
State income tax - deferred	52,086	
Federal income tax - current	-80,082	-80,082
Federal income tax - deferred	348,341	348,341
<b>Income before income taxes</b>	<b>841,512</b>	<b>789,439</b>
Adjustments made to determine Taxable Income: (List additional income and allowable deductions separately)		
Amortization of ITC	-29,585	-29,585
State income tax - deferred		52,086
Expenses on books NOT on 1120: (Depr., bad debts, meals & entertainment, and other)	533,887	533,887
Expenses on 1120 NOT on books: (Dper., bad debts, removals, other)	-1,574,637	-1,574,637
<b>Taxable income (per books)</b>	<b>-228,823</b>	<b>-228,810</b>
Tax rate	6.00%	35.00%
<b>Book tax before adjustments</b>	<b>-13,729</b>	<b>-80,084</b>
Adjustments:		
Amortization of ITC	0	-29,585
Amortization of excess deferred taxes due to rate changes	52,086	348,341
Tax true-ups	13,716	2
<b>Total taxes (should tie to page 39, line 49)</b>	<b>52,073</b>	<b>238,674</b>

Explain basis for tax allocation for group (per instruction 2):

YEAR ENDED DECEMBER 31, 1998

**PREPAID TAXES AND TAX ACCRUALS (Accts. 1300, 4070, & 4080)**

1. List and furnish appropriate data with respect to each type of tax (other than sales or similar taxes) for which the company was liable on its own behalf during the year. When entries with respect to any type of tax are applicable to more than one year, the required information for all columns shall be shown separately for each such year.
2. Explain in a note each adjustment shown in column (h).
3. Col. (f) should tie to the distribution of taxes to accounts schedule (page 39, line 49).

[illegible]

**Notes:**



60295

## EXPENSE MATRIX -- Class A (cont.)

Account (f)	Benefits (g)	Rents (h)	Other (i)	Clearances to (from) (j)
<b>Customer Operations Expense (cont.)</b>				
6611	0	0	0	0
6612	0	0	0	0
6613	0	0	1,477	0
6610	0	0	1,477	0
	0	0	0	0
	0	0	1,477	0
6621	0	0	20,420	0
6622	9	0	17,032	0
6623	20,167	0	337,847	0
6620	20,175	0	375,298	0
	0	0	0	0
	20,175	0	375,298	0
	20,175	0	376,775	0
	0	0	0	0
	20,175	0	376,775	0

<b>Corporate Operations Expense (cont.)</b>				
6711	0	0	39,657	0
6712	0	0	0	0
6710	0	0	39,657	0
	0	0	0	0
	0	0	39,657	0
6721	5,527	0	154,727	0
6722	0	0	49,299	0
6723	132	0	29	0
6724	0	0	11,478	0
6725	0	0	81,066	0
6726	0	0	12,662	0
6727	0	0	0	0
6728	0	0	19,912	0
6720	5,660	0	329,174	0
	0	0	0	0
	5,660	0	329,174	0
6790			0	
			0	
			0	
	5,660	0	368,831	0
	0	0	0	0
	5,660	0	368,831	0
	103,409	39,557	1,527,085	0
	0	0	0	0
	103,409	39,557	1,527,085	0

6722, 6725,

YEAR ENDED DECEMBER 31, 1998

**DEPRECIATION EXPENSE (Acct. 6561)**

For depreciation charged to other accounts, group by category.

Particulars (a)	Amount (b)
Depreciation Accruals	498,636
Additional	0
Tax Savings	0
Subtotal	498,636
Less to other accounts:	-
<b>Total Depreciation Expense (Line 10 less lines 12 thru 16)</b>	<b>498,636</b>

**ANALYSIS IF EXTERNAL RELATIONS -- OTHER (Acct. 6722)**

The total shown on this schedule should agree with the total of the matrix category "Other" on page 48, col.(i), line 30.

Description (a)	Amount (b)
Reviewing existing or pending legislation	
Preparing and presenting information for regulatory purposes	
Performing public relations and non product related corporate image advertising activities	
Administering relations, including negotiating contracts	
Other (specify):	
General Subscriber Tariff	12,491
Interlata Access	8
Intralata Access	194
NECA Update	3,800
Network Administration	32,806
<b>Total</b>	<b>49,299</b>

Line 36 should tie to page 48, col. (i), line 30.

**ANALYSIS OF MATRIX CATEGORY -- BENEFITS**

Net benefits should equal the total shown in the benefits column on the matrix on page 48, column (g), line 48.

Description (a)	Amount (b)
Pension payments -- funded	
-- unfunded	40,557
Savings plan contributions (company portion)	
Payroll taxes:	
Social security taxes	21,906
State unemployment taxes	73
Federal unemployment taxes	594
Expenses of education and recreational activities for employees	
Disability payments	
Liability insurance	
Employee benefits (life, health, accident & hospitalization insurance)	24,663
Workmen's compensation	
Other (list):	
Services provided by West Tennessee Telephone Company	11,621
Less:	
Cleared to construction	4,156
Cleared to custom work or nonregulated activities	20,841
Other	
<b>Net benefits</b>	<b>74,418</b>

Line 30 should tie to page 48, column (g), line 48.

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## OTHER INCOME ACCOUNTS

Particulars (a)	Acct. (b)	Page (c)	Last Year (d)	This Year (e)
<b>Other Operating Income and (Expense)</b>				
Income from Custom Work	7110		0	0
Return from Nonregulated Use of Regulated Facilities	7130		1,405	1,435
Gains and Losses from Foreign Exchanges	7140		0	0
Gains or Losses from Disposition of Land and Artwork	7150		0	0
Other Operating Gains and (Losses)	7160		-35	0
<b>Total Other Operating Income and (Expense)</b>	<b>7100</b>		<b>1,370</b>	<b>1,435</b>
<b>Operating Taxes</b>				
Operating Investment Tax Credits - Net	7210	37-38	0	0
Operating Federal Income Taxes	7220	37-38	386,767	-108,556
Operating State and Local Income Taxes	7230	37-38	65,120	1,977
Operating Other Taxes	7240	37-38	119,501	84,646
Provision for Deferred Operating Income Taxes - Net	A/ 7250	37-38	-147,186	399,942
<b>Total Operating Taxes</b>	<b>7200</b>		<b>424,203</b>	<b>378,009</b>
<b>Nonoperating Income and (Expense)</b>				
Dividend Income	7310		0	0
Interest Income	7320		211,869	136,089
Income from Sinking and Other Funds	7330		0	0
Allowance for Funds Used During Construction	7340		0	0
Gains or Losses from the Disposition of Certain Property	7350		0	0
Other Nonoperating Income	7360		0	0
Special (Charges)	7370		-15,223	-14,597
<b>Total Nonoperating Income and (Expense)</b>	<b>7300</b>		<b>196,646</b>	<b>121,492</b>
<b>Nonoperating Taxes</b>				
Nonoperating Investment Tax Credits - Net	7410	37-38	-29,585	-29,585
Nonoperating Federal Income Taxes	7420	37-38	61,232	41,195
Nonoperating State and Local Income Taxes	7430	37-38	16,553	330
Nonoperating Other Taxes	7440	37-38	0	0
Provision for Deferred Nonoperating Income Taxes - Net	7450	37-38	0	0
<b>Total Nonoperating Taxes</b>	<b>7400</b>		<b>48,199</b>	<b>11,940</b>
<b>Interest and Related Items</b>				
Interest on Funded Debt	7510	51	147,825	143,067
Interest Expense - Capital Leases	7520	51	0	0
Amortization of Debt Issuance Expense	7530		0	0
Other Interest Deductions	7540	51	3,358	887
<b>Total Interest and Related Items</b>	<b>7500</b>		<b>151,183</b>	<b>143,954</b>
<b>Extraordinary Items</b>				
Extraordinary Income Credits	7610		0	0
Extraordinary Income (Charges)	7620		0	0
Current Income Tax Effects of Extraordinary Items - Net	7630	37-38	0	0
Provision for Deferred Income Tax Effect of Extraordinary Items - Net	7640	37-38	0	0
<b>Total Extraordinary Items</b>	<b>7600</b>		<b>0</b>	<b>0</b>
<b>Nonregulated Net Income Items</b>				
Income Effect of Jurisdictional Ratemaking Differences - Net	7910	51	0	0
Nonregulated Net Income	B/ 7990	51	-14,911	-22,866
<b>Total Nonregulated Net Income Items</b>			<b>-14,911</b>	<b>-22,866</b>

A/ This account shall be used ONLY by those companies subject to dual jurisdiction.

B/ This account shall be used ONLY by those companies who offer nonregulated activities that DO NOT involve the joint or common use of assets or resources used in the provision of both regulated and nonregulated products and services, and which HAVE NOT established a separate subsidiary for that purpose.

Description of debt on which payable. Use same level of description as shown on supporting schedules for debt.

**Total (Lines 8 thru 21)**

## Revenues (Acct. 7990.1):

**Total Expenses (Lines 32 thru 38)**

List the types of nonregulated activities that company is involved in.

### Customer Premise Equipment

NONE

~~Total (Lines 54 thru 57)~~

- 2
- 3
- 4
- 5
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~~14,597~~

YEAR ENDED DECEMBER 31, 1998

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## ACCESS USAGE

Description (a)	Billed Minutes			No. of Unmeasured Lines	
	Interstate (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate (e)	Intrastate InterLATA (f)
Feature Group A -- Originating	0	0	0	0	0
-- Terminating	11,439	20,797	0	0	0
Feature Group B -- Originating	202,472	446	0	0	0
-- Terminating	22,817	0	0	0	0
Feature Group C -- Originating	0	0	6,462,970		
-- Terminating	0	0	4,690,982		
Feature Group D -- Originating	2,182,041	289,126	0		
-- Terminating	6,005,075	558,959	0		
Total -- Originating	2,384,513	289,572	6,462,970	0	0
-- Terminating	6,039,331	579,756	4,690,982	0	0
Total	8,423,844	869,328	11,153,952	0	0

## INTRALATA TOLL MESSAGES (MTS only)

1,931,967

\* REVISE TO FIT NEW FORMAT \*

EMPLOYEE DATA -- END OF YEAR

Report employee data based on primary allocation of respective wages and salaries.

Particulars (a)	Employees (b)
<u>Plant Operations</u>	
1. Supervisory & Management	
2. Central Office	1
3. Outside Plant	1
4. Building & Service	5
5. Other	1
<u>Customer Operations</u>	
1. Supervisory & Management	
2. Operators	
3. Business Office	
4. Other	3
<u>Corporate Operations</u>	
1. Executive & General Management	
2. Accounting & Finance	
3. External Relations	
4. Human Resources	
5. Information Management	
6. Legal	
7. Procurement	
8. Research & Development	
9. Other	
Other: All Other Employees, Not Elsewhere Classified	
Total Employees	11
Part-Time Employees	2
Full-Time Employees	9

EMPLOYEE SALARIES, WAGES, AND OVERTIME

EMPLOYEE BENEFITS

# \_\_\_\_\_

# \_\_\_\_\_

YEAR ENDED DECEMBER 31, 1998

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## SERVICE DATA

Access Line - Central office line equipment, or equivalent and all outside plant facilities, or equivalent required to connect the serving central office with the customers premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DSO level. A DSO level is a 4 KHz voice or 64 Kilobits / seconds.

Customer -- A person who uses a telephone, as a subscriber.

Item (a)	FOY (b)	EOY (c)
<b>Business</b>		
1 Party		
2 Party	638	681
4 Party		
PBX Trunks		
Centrex Trunks	6	6
Centrex Lines		
Key System Trunks		
Mobile (utility provided service)	156	161
Paging (utility provided service)		
FX - Out (Switched)		
Pay Stations - Public		
- Semi-Public	15	13
- Customer Owned	33	29
Other		
<b>Total Business Lines</b>	<b>848</b>	<b>890</b>
<b>Residential (Incl. Employee Concession)</b>		
1 Party		
2 Party	3,503	3,577
4 Party		
FX - Out (Switched)		
Other		
<b>Total Residential Lines</b>	<b>3,503</b>	<b>3,577</b>
<b>Total Business &amp; Residential Lines</b>	<b>4,351</b>	<b>4,467</b>
Company Used Lines	20	20
<b>Total Lines Used</b>	<b>4,371</b>	<b>4,487</b>
<b>Miscellaneous</b>		
WATS Lines - OutWATS		
WATS Lines - 800 Service	0	0
FX - In - intraLATA	2	2
Special Access - interLATA	6	6
Feature Group A Lines	17	19
Feature Group B Lines		
Feature Group C Lines		
Feature Group D Lines		
TSPS - Trunks	192	192
EAS - Trunks		
Cellular Trunks (Pub. Switch Net)	24	24
	96	96
<b>Customers</b>		
Business - 2 Party Customers		
Business - 4 Party Customers		
Residential - 2 Party Customers		
Residential - 4 Party Customers		

YEAR ENDED DECEMBER 31, 1998

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## MANUFACTURER AND EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedules.

Name of Item (a)	Abbreviation (b)
<b>Manufacturers</b>	
ATTC	
Ericcson	ATT
GTE	ERC
ITT	GTE
Leich Electric	ITT
Nippon Electric	LE
Northern Telecom	NEC
Siemens	NTI
Stromberg - Carlson	SI
Other: (Give Name)	SC
	OTH
<b>Equipment</b>	
Crossbar	
Electronic - Analog	XB
Electronic - Digital	A
Relay	D
Step by Step	REL
Other: (Give Name)	SXS
	OTH

## CENTRAL OFFICE DATA -- END OF YEAR

When an exchange has more than one central office, data must be reported for each central office.

Description (a)	Central Office (b)	Central Office (c)	Central Office (d)	Central Office (e)
Exchange Name	Alamo	Friendship	Maury City	
Central Office Name	Alamo	Friendship	Maury City	
Manufacture of COE: (See above list)	SI	SI	SI	
Switch Name, i.e. DMS 10, 5ESS, RSM	EWSD	EWSD	EWSD	
Year COE Originally Installed	1995	1995	1995	
Type of Equipment: (See above list)	D	D	D	
(S)tand alone, (H)ost or (R)emote	H	R	R	
Access Lines - In use	2,260	1,020	1,207	
- Equipped	2,296	1,056	1,400	
Trunks	312			
- Equipped				
Equal Access Available? - Yes or No	Yes	Yes	Yes	









CROCKETT TELEPHONE CO., INC.

YEAR ENDED DECEMBER 31, 1998

**INCOME STATEMENT -- REGULATED AND NONREGULATED**

Particulars (a)	Account (b)	Total (c)	Directly Assigned	
			Reg (d)	Non-Reg (e)
Operating Revenues	5000-5302	2812874.72	2812874.72	
Operating Expenses:				
Plant Specific Operations Expense	6110-6410	307,063	307,063	
Plant Nonspecific Operations Expense	6510-6560	691,117	691,117	
Customer Operations Expense	6610-6620	465,983	465,983	
Corporate Operations Expense	6710-6790	393,689	393,689	
Other Operating (Income) and Expense	7100	-1,435	-1,435	
Operating Taxes	7200	378,009	378,009	
<b>Total Operating Expenses (9+10+11+12+13+14)</b>		<b>2,234,427</b>	<b>2,234,427</b>	<b>0</b>
<b>Net Operating Income (Line 7 - 15)</b>		<b>578,447</b>	<b>578,447</b>	<b>0</b>
Nonoperating Income and (Expense)	7300	121,492	121,492	
Nonoperating Taxes	7400	11,940	11,940	
Interest and Related Items	7500	143,954	143,954	
Extraordinary Items	7600	0	0	
Income Effect of Jurisdictional Ratemaking Diff. - Net	7910	0	0	
Nonregulated Net Income Items A/	7990	-22,866	0	-22,866
<b>Total Other Income (Expense) - Net (17-18-19+20+21+22)</b>		<b>-57,267</b>	<b>-34,402</b>	<b>-22,866</b>
<b>Net Income (Line 16+23)</b>		<b>521,180</b>	<b>544,045</b>	<b>-22,866</b>

A/ This Account shall be used only by those companies who offer nonregulated activities that DO NOT involve the joint or common use of assets or resources in the provision of both regulated and nonregulated products and services, and which HAVE NOT established a separate subsidiary for that purpose.

Col. (c), Line 9 must tie to page 45, col. (d), line 20.

Col. (k), Line 9 must tie to page 45, col. (d), line 22.

Col. (c), Line 10 must tie to page 45, col. (d), line 52.

Col. (k), Line 10 must tie to page 45, col. (d), line 54.

Col. (c), Line 17 must tie to page 52, col. (e), line 28.

Col. (c), Line 18 must tie to page 52, col. (e), line 35.

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CROCKETT TELEPHONE CO., INC.

YEAR ENDED DECEMBER 31, 1998

**INCOME STATEMENT -- REGULATED AND NONREGULATED (cont.)**

Account (f)	Allocated		Adjustments		Total Reg (k)	Total Non-Reg (l)
	Reg (g)	Non-Reg (h)	Reg (i)	Non-Reg (j)		
5000-5302					2,812,875	0
6110-6410					307,063	0
6510-6560					691,117	0
6610-6620					465,983	0
6710-6790					393,689	0
7100					-1,435	0
7200					378,009	0
	0	0	0	0	2,234,427	0
	0	0	0	0	578,447	0
7300					121,492	0
7400					11,940	0
7500					143,954	0
7600					0	0
7910					0	0
7990					0	-22,866
	0	0	0	0	-34,402	-22,866
	0	0	0	0	544,045	-22,866

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CROCKETT TELEPHONE CO., INC.

YEAR ENDED DECEMBER 31, 1998

**BALANCE SHEET -- REGULATED AND NONREGULATED**

Plant Account (a)	Account (b)	Total (c)	Directly Assigned	
			Regulated (d)	Non-Reg. (e)
Cash	1130	67,509	67,509	
Special Cash Deposits	1140	0	0	
Working Cash Advances	1150	515	515	
Temporary Investments	1160	3,464,251	3,464,251	
<b>Total Cash and Equivalents</b>	<b>1120</b>	<b>3,532,275</b>	<b>3,532,275</b>	<b>0</b>
Materials and Supplies	1220	42,411	37,498	4,913
Deferred Charges	1439	0	0	
<b>PLANT</b>				
<b>Telecommunications Plant in Service</b>	<b>2001</b>	<b>7,906,145</b>	<b>7,906,145</b>	
Less: Accumulated Depreciation	3100	5,993,331	5,993,331	
Accum. Amort. -- Capitalized Leases	3410	0	0	
Accum. Amort. -- Leasehold improvements	3420	0	0	
Accum. Amort. -- Intangible	3500	0	0	
<b>Net Telecom. Plant in Service</b>		<b>1,912,814</b>	<b>1,912,814</b>	<b>0</b>
<b>Property Held for Future Telecom. Use</b>	<b>2002</b>	<b>0</b>	<b>0</b>	
Less: Accum. Depr. -- Prop. Held for Future Use	3200	0	0	
<b>Net Property Held for Future Use</b>		<b>0</b>	<b>0</b>	<b>0</b>
Telecom. Plant Under Construction -- Short Term	2003	316,383	316,383	
Telecom. Plant Under Construction -- Long Term	2004	0	0	
<b>Total Telecomm. Plant Under Construct.</b>		<b>316,383</b>	<b>316,383</b>	<b>0</b>
Telecommunications Plant Adjustment	2005	0	0	
Less: Accumulated Amort -- Other	3600	0	0	
<b>Net Telecommunications Plant Adj.</b>		<b>0</b>	<b>0</b>	<b>0</b>
Nonoperating Plant	2006		0	
Less: Accumulated Depreciation--Nonoperating	3300		0	
<b>Net Nonoperating Plant</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Net Plant</b>		<b>2,229,196</b>	<b>2,229,196</b>	<b>0</b>
Customer Deposits	4040	13,500	13,500	
Net Current Deferred Operating Income Taxes	4100	0	0	
Net Noncurrent Defer. Operating Income Taxes	4340	25,964	5,207	20,757

YEAR ENDED DECEMBER 31, 1998

1. Report hereunder the accounts and functions charged with taxes accrued during the year.
2. Where allocation is necessary, explain the basis used.
3. Report in a footnote the amounts and kinds of taxes cleared from prepaid taxes, if any.
4. If the total at line 49, column (i), does not equal the total taxes accrued at Page 37, line 47, column (f), include a reconciling schedule in the space provided below.

Notes and explanations:

**GROCKETT TELEPHONE CO., INC.**

YEAR ENDED DECEMBER 31, 1998

### DISTRIBUTION OF TAXES TO ACCOUNTS (cont.)

[illegible]

Col. (i) does not tie to page 37, line 47, col. (f). See reconciliation below:

Amount per page 40, Col i, Line 49	397,969
Plus: Provision for deferred income taxes - Acct. 7250 & 7990	-400,427
Plus: Amortization of Investment tax credits - Acct. 7410	29,585
	-----
Amount per page 37, Col. f, Line 47	27,127

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CROCKETT TELEPHONE CO., INC.

YEAR ENDED DECEMBER 31, 1998

## REVENUE STATEMENT

Description (a)	Acct. No. (b)	Last Year Total (c)	This Year Total (d)
<b>Local Network Services Revenues</b>			
Basic Area Revenue	5001	435,277	282,888
Optional Extended Area Revenue	5002	0	0
Cellular Mobile Revenue	5003	0	0
Other Mobile Services Revenue	5004	0	0
Public Telephone Revenue	5010	1,900	0
Local Private Line Revenue	5040	63,026	61,570
Customer Premises Revenue	5050	12,202	13,890
Other Local Exchange Revenue	5060	104,448	162,003
Other Local Exchange Revenue Settlements	5069	0	0
<b>Total Basic Local Service Revenue (L 10 thru 18)</b>	<b>5000</b>	<b>616,854</b>	<b>520,350</b>
<b>Network Access Services Revenues</b>			
End User Revenue	5081	202,502	203,541
Switched Access Revenue	5082	862,340	721,239
Special Access Revenue	5083	20,391	17,839
State Access Revenue	5084	925,561	899,795
<b>Total Network Access Revenue (L 22 thru 25)</b>	<b>5080</b>	<b>2,010,794</b>	<b>1,842,414</b>
<b>Long Distance Network Services Revenues</b>			
Long Distance Message Revenue	5100	0	0
Long Distance Inward-Only Revenue	5111	0	0
Long Distance Outward-Only Revenue	5112	0	0
Subvoice Grade LD Private Network Revenue	5121	6,226	6,226
Voice Grade LD Private Network Revenue	5122	0	0
Audio Program Grade LD Private Network Revenue	5123	0	0
Video Program Grade LD Private Network Revenue	5124	0	0
Digital Transmission LD Private Network Revenue	5125	0	0
LD Private Network Switching Revenue	5126	0	0
Other LD Private Network Revenue	5128	0	0
Other LD Private Network Revenue Settlements	5129	0	0
Other Long Distance Revenue	5160	42,289	37,099
Other LD Revenue Settlements	5169	0	0
<b>Total Long Distance Network Services Revenues</b>		<b>48,514</b>	<b>43,324</b>

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CROCKETT TELEPHONE CO., INC.

YEAR ENDED DECEMBER 31, 1998

**REVENUE STATEMENT (cont.)**

Description (a)	Acct. No. (b)	Last Year Total (c)	This Year Total (d)
<b>Miscellaneous Revenues</b>			
Directory Revenue	5230	43,782	44,676
Rent Revenue	5240	0	0
Corporate Operations Revenue	5250	0	0
Special Billing Arrangements Revenue	5261	9,429	-23,335
Customer Operations Revenue	5262	-380,684	-109,096
Plant Operations Revenue	5263	0	0
Other Incidental Regulated Revenue	5264	1,687	874
Other Revenue Settlements	5269	0	0
Carrier Billing and Collection Revenue	5270	407,113	441,080
<b>Total Miscellaneous Revenues (L10 thru 18)</b>	<b>5200</b>	<b>81,326</b>	<b>354,199</b>
<b>Nonregulated Operating Revenue</b>	<b>5280</b>	<b>61,151</b>	<b>56,271</b>
<b>GROSS OPERATING REVENUES</b>		<b>2,818,639</b>	<b>2,816,558</b>
<b>Uncollectible Revenues</b>			
Uncollectible Revenue - Telecommunications	5301	3,915	3,683
Uncollectible Revenue Other	5302	0	0
<b>Total Uncollectible Revenue (Lines 26 thru 27)</b>	<b>5300</b>	<b>3,915</b>	<b>3,683</b>
<b>TOTAL OPERATING REVENUES (Line 23 - Line 28)</b>		<b>2,814,725</b>	<b>2,812,875</b>

Include Intrastate billing and collection revenues on line 18.

Include Interstate billing and collection revenues (net of uncollectibles) on line 21.

Lines 26 and 27 should include regulated uncollectibles only.



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CROCKETT TELEPHONE CO., INC.

YEAR ENDED DECEMBER 31, 1998

## EXPENSE MATRIX -- Class A

Particulars (a)	Account (b)	Total Last Year (c)	Total This Year (d)	Salaries & Wages (e)
<b>Plant Specific Operations Expense</b>				
Motor Vehicle Expense		23,511	3,399	2,477
Clearances	6112	0	0	0
Net Motor Vehicle Expense		23,511	3,399	2,477
Aircraft Expense		0	0	0
Clearances	6113	0	0	0
Net Aircraft Expense		0	0	0
Special Purpose Vehicles Expense		0	0	0
Clearances	6114	0	0	0
Net Special Purpose Vehicles Expense		0	0	0
Garage Work Equipment Expense	6115	0	0	0
Other Work Equipment Expense		6,131	1,769	1,294
Clearances	6116	0	0	0
Net Other Work Equipment Expense		6,131	1,769	1,294
<b>Total Network Support Expense</b>		<b>29,642</b>	<b>5,168</b>	<b>3,770</b>
Less: Nonregulated	6110	0	0	0
<b>Net Regulated</b>		<b>29,642</b>	<b>5,168</b>	<b>3,770</b>
Land and Building Expenses	6121	42,247	32,710	17,566
Furniture and Artworks Expense	6122	0	0	0
Office Equipment Expense	6123	0	0	0
General Purpose Computers Expense	6124	2,935	298	0
<b>Total General Support Expense</b>		<b>45,183</b>	<b>33,008</b>	<b>17,566</b>
Less: Nonregulated	6120	0	0	0
<b>Net Regulated</b>		<b>45,183</b>	<b>33,008</b>	<b>17,566</b>
Analog Electronic Expense	6211	0	0	0
Digital Electronic Expense	6212	80,923	79,799	45,307
Electro-Mechanical Expense	6215	10	32	22
<b>Total Central Office Switching Exp.</b>		<b>80,933</b>	<b>79,831</b>	<b>45,329</b>
Less: Nonregulated	6210	0	0	0
<b>Net Regulated</b>		<b>80,933</b>	<b>79,831</b>	<b>45,329</b>
<b>Operator Systems Expense</b>		<b>0</b>	<b>0</b>	<b>0</b>
Less: Nonregulated	6220	0	0	0
<b>Net Regulated</b>		<b>0</b>	<b>0</b>	<b>0</b>
Radio Systems Expense	6231	0	0	0
Circuit Equipment Expense	6232	9,055	8,245	6,138
<b>Total Central Office Trans Expense</b>		<b>9,055</b>	<b>8,245</b>	<b>6,138</b>
Less: Nonregulated	6230	0	0	0
<b>Net Regulated</b>		<b>9,055</b>	<b>8,245</b>	<b>6,138</b>
Station Apparatus Expense	6311	622	0	0
Large Private Branch Exchange Expense	6341	0	0	0
Pub Telephone Term Equipment Expense	6351	0	0	0
Other Terminal Equipment Expense	6362	0	0	0
<b>Total Info. Origination/Term. Exp.</b>		<b>622</b>	<b>0</b>	<b>0</b>
Less: Nonregulated	6310	0	0	0
<b>Net Regulated</b>		<b>622</b>	<b>0</b>	<b>0</b>

Explain variances from last year if more than \$5,000 and more than 10%:

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CROCKETT TELEPHONE CO., INC.

YEAR ENDED DECEMBER 31, 1998

## EXPENSE MATRIX -- Class A (cont.)

Account (f)	Benefits (g)	Rents (h)	Other (i)	Clearances to (from) (j)
----------------	-----------------	--------------	--------------	--------------------------------

## Plant Specific Operations Expense (cont.)

	703	0	219	0
6112	0	0	0	
	703	0	219	
	0	0	0	0
6113	0	0	0	
	0	0	0	
	0	0	0	0
6114	0	0	0	
	0	0	0	
6115	0	0	0	
	330	0	146	0
6116	0	0	0	
	330	0	146	
	1,033	0	365	0
6110	0	0	0	0
	1,033	0	365	0
6121	4,646	0	10,498	0
6122	0	0	0	0
6123	0	0	0	0
6124	0	0	298	0
	4,646	0	10,796	0
6120	0	0	0	0
	4,646	0	10,796	0
6211	0	0	0	0
6212	12,318	0	22,173	0
6215	6	0	4	0
	12,325	0	22,177	0
6210	0	0	0	0
	12,325	0	22,177	0
	0	0	0	0
6220	0	0	0	0
	0	0	0	0
6231	0	0	0	0
6232	1,583	0	525	0
	1,583	0	525	0
6230	0	0	0	0
	1,583	0	525	0
6311	0	0	0	0
6341	0	0	0	0
6351	0	0	0	0
6362	0	0	0	0
	0	0	0	0
6310	0	0	0	0
	0	0	0	0

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CROCKETT TELEPHONE CO., INC.

YEAR ENDED DECEMBER 31, 1998

## EXPENSE MATRIX -- Class A (cont.)

Particulars (a)	Account (b)	Total Last Year (c)	Total This Year (d)	Salaries & Wages (e)
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## Plant Specific Operations Expense (cont.)

Poles Expense	6411	19,793	13,296	825
Aerial Cable Expense	6421	57,202	109,391	71,962
Underground Cable Expense	6422	146	246	176
Buried Cable Expense	6423	53,604	57,815	30,776
Submarine Cable Expense	6424	0	0	0
Deep Sea Cable Expense	6425	0	0	0
Intrabuilding Net Cable Expense	6426	0	0	0
Aerial Wire Expense	6431	193	59	42
Conduit Systems Expense	6441	0	0	0
<b>Total Cable &amp; Wire Facilities Expense</b>		<b>130,938</b>	<b>180,810</b>	<b>103,781</b>
Less: Nonregulated	6410	0	0	0
<b>Net Regulated</b>		<b>130,938</b>	<b>180,810</b>	<b>103,781</b>
<b>Total Plant Specific Operations Expense</b>		<b>427,310</b>	<b>487,873</b>	<b>280,366</b>
Less: Nonregulated		0	0	0
<b>Net Regulated</b>		<b>427,310</b>	<b>487,873</b>	<b>280,366</b>

## Plant Nonspecific Operations Expense

Property Held for Future Telecom. Use Exp.	6511	0	0	0
Provisioning Exp		0	20	15
Clearances	6512	0	0	0
Net Provisioning Expense		0	20	15
<b>Total Other Property Plant and Equip. Exp.</b>		0	20	15
Less: Nonregulated	6510	0	0	0
<b>Net Regulated</b>		0	20	15
Power Expense	6531	14,119	15,609	0
Network Administration Expense	6532	7,662	9,621	0
Testing Expense	6533	0	0	0
Plant Operations Administration Expense		30,309	27,657	0
Clearances	6534	0	0	0
Net Plant Operations Administration Expense		30,309	27,657	0
Engineering Expense		936	0	0
Clearances	6535	0	0	0
Net Engineering Expense		936	0	0
<b>Total Network Operations Expense</b>		<b>53,026</b>	<b>52,887</b>	0
Less: Nonregulated	6530	0	0	0
<b>Net Regulated</b>		<b>53,026</b>	<b>52,887</b>	0
<b>Access Expense</b>	<b>6540</b>	<b>138,605</b>	<b>139,574</b>	0
Depreciation Exp. - Tel. Plant in Service	6561	506,556	498,636	
Depr. - Property Held For Future Tel. Use	6562	0	0	
Amortization Expense - Tangible	6563	0	0	
Amortization Expense - Intangible	6564	0	0	
Amortization Expense - Other	6565	0	0	
<b>Total Depr &amp; Amort Expense</b>		<b>506,556</b>	<b>498,636</b>	
Less: Nonregulated	6560	0	0	
<b>Net Regulated</b>		<b>506,556</b>	<b>498,636</b>	
<b>Total Plant Nonspecific Operations Expense</b>		<b>668,187</b>	<b>691,118</b>	15
Less: Nonregulated		0	0	0
<b>Net Regulated</b>		<b>668,187</b>	<b>691,118</b>	15

Explain variances from last year if more than \$5,000 and more than 10%:

6421.

6421 - Aerial Cable expense increased due to repair of old cable.

CROCKETT TELEPHONE CO., INC.

YEAR ENDED DECEMBER 31, 1998

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## EXPENSE MATRIX -- Class A (cont.)

Account (f)	Benefits (g)	Rents (h)	Other (i)	Clearances to (from) (j)
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## Plant Specific Operations Expense (cont.)

6411	248	11,378	848	0
6421	20,087	0	17,342	0
6422	54	0	16	0
6423	8,589	8,400	10,049	0
6424	0	0	0	0
6425	0	0	0	0
6426	0	0	0	0
6431	13	0	4	0
6441	0	0	0	0
	28,992	19,778	28,259	0
6410	0	0	0	0
	28,992	19,778	28,259	0
	77,569	39,557	90,381	0
	0	0	0	0
	77,569	39,557	90,381	0

## Plant Nonspecific Operations Expense (cont.)

6511	0	0	0	0
	5	0	0	0
6512	0	0	0	0
	5	0	0	0
	5	0	0	0
6510	0	0	0	0
	5	0	0	0
6531	0	0	15,609	0
6532	0	0	9,621	0
6533	0	0	0	0
	0	0	27,657	0
6534	0	0	0	0
	0	0	27,657	0
	0	0	0	0
6535	0	0	0	0
	0	0	0	0
	0	0	52,887	0
6530	0	0	0	0
	0	0	52,887	0
6540	0	0	139,574	0
6561			498,636	
6562			0	
6563			0	
6564			0	
6565			0	
			498,636	
6560			498,636	
	5	0	691,097	0
	0	0	0	0
	5	0	691,097	0

6540.

6540 Access Expense increased due to increased in total CABS messages and USF Fund expense.

CROCKETT TELEPHONE CO., INC.

YEAR ENDED DECEMBER 31, 1998

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## EXPENSE MATRIX -- Class A (cont.)

Particulars (a)	Account (b)	Total Last Year (c)	Total This Year (d)	Salaries & Wages (e)
<b>Customer Operations Expense</b>				
Product Management	6611	0	0	0
Sales	6612	0	0	0
Product Advertising	6613	3,946	1,477	0
<b>Total Marketing</b>		<b>3,946</b>	<b>1,477</b>	<b>0</b>
Less: Nonregulated	6610	0	0	0
<b>Net Regulated</b>		<b>3,946</b>	<b>1,477</b>	<b>0</b>
Call Completion Services	6621	21,430	20,420	0
Number Services	6622	8,242	17,068	28
Customer Services	6623	391,657	427,019	69,005
<b>Total Services</b>		<b>421,329</b>	<b>464,507</b>	<b>69,033</b>
Less: Nonregulated	6620	0	0	0
<b>Net Regulated</b>		<b>421,329</b>	<b>464,507</b>	<b>69,033</b>
<b>Total Customer Operations Expense</b>		<b>425,275</b>	<b>465,983</b>	<b>69,033</b>
Less: Nonregulated		0	0	0
<b>Net Regulated</b>		<b>425,275</b>	<b>465,983</b>	<b>69,033</b>
<b>Corporate Operations Expense</b>				
Executive	6711	46,205	39,657	0
Planning	6712	0	0	0
<b>Total Exec. and Planning</b>		<b>46,205</b>	<b>39,657</b>	<b>0</b>
Less: Nonregulated	6710	0	0	0
<b>Net Regulated</b>		<b>46,205</b>	<b>39,657</b>	<b>0</b>
Accounting and Finance	6721	198,475	179,017	18,763
External Relations	6722	21,273	49,299	0
Human Resources	6723	315	597	436
Information Management	6724	21,662	11,478	0
Legal	6725	56,335	81,066	0
Procurement	6726	15,152	12,662	0
Research & Development	6727	0	0	0
Other General & Administrative	6728	22,521	19,912	0
<b>Total General and Admin.</b>		<b>335,733</b>	<b>354,032</b>	<b>19,199</b>
Less: Nonregulated	6720	0	0	0
<b>Net Regulated</b>		<b>335,733</b>	<b>354,032</b>	<b>19,199</b>
Provision for Uncoll. Notes Receivable		0	0	
Less: Nonregulated	6790	0	0	
<b>Net Regulated</b>		<b>0</b>	<b>0</b>	
<b>Total Corporate Operations Expense</b>		<b>381,938</b>	<b>393,689</b>	<b>19,199</b>
Less: Nonregulated		0	0	0
<b>Net Regulated</b>		<b>381,938</b>	<b>393,689</b>	<b>19,199</b>
<b>Total Expenses</b>		<b>1,902,712</b>	<b>2,038,663</b>	<b>368,613</b>
Less: Nonregulated		0	0	0
<b>Net Regulated</b>		<b>1,902,712</b>	<b>2,038,663</b>	<b>368,613</b>
Explain variances from last year if more than \$5,000 and more than 10%: 6622.				
6622 - Reallocation of number services performed, which resulted in a proper accounting.				
6722 - External Relations Expense variances are due to the conversion of equal access.				
6725 - Legal Expense variances are due to the handling of subsidiary and corporate legal matters.				

CROCKETT TELEPHONE CO., INC.

YEAR ENDED DECEMBER 31, 1998

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**BALANCE SHEET -- REGULATED AND NONREGULATED (cont.)**

Account (f)	Allocated		Adjustments		Total Regulated (k)	Total Non-Reg (l)
	Regulated (g)	Non-Reg. (h)	Regulated (i)	Non-Reg. (j)		
1130					67,509	0
1140					0	0
1150					515	0
1160					3,464,251	0
1120	0	0	0	0	3,532,275	0
1220					37,498	4,913
1439					0	0
2001					7,906,145	0
3100					5,993,331	0
3410					0	0
3420					0	0
3500					0	0
	0	0	0	0	1,912,814	0
2002					0	0
3200					0	0
	0	0	0	0	0	0
2003					316,383	0
2004					0	0
	0	0	0	0	316,383	0
2005					0	0
3600					0	0
	0	0	0	0	0	0
2006					0	0
3300					0	0
	0	0	0	0	0	0
	0	0	0	0	2,229,196	0
4040					13,500	0
4100					0	0
4340					5,207	20,757

CROCKETT TELEPHONE CO., INC.

YEAR ENDED DECEMBER 31, 1998

**TELECOMMUNICATIONS PLANT IN SERVICE -- REGULATED AND NONREGULATED**

Plant Account (a)	Account (b)	Total (c)	Directly Assigned	
			Regulated (d)	Non-Reg. (e)
Land	2111	15,533	15,533	
Motor Vehicles	2112	200,159	200,159	
Aircraft	2113	0	0	
Special Purpose Vehicles	2114	0	0	
Garage Work Equipment	2115	0	- 0	
Other Work Equipment	2116	104,708	104,708	
Buildings	2121	239,392	239,392	
Furniture	2122	14,503	14,503	
Office Equipment	2123	17,340	17,340	
General Purpose Computers	2124	112,002	112,002	
<b>Total - General Support Assets</b>		<b>703,637</b>	<b>703,637</b>	<b>0</b>
<b>Central Office Assets</b>				
Analog Electronic Switching	2211	0	0	
Digital Electronic Switching	2212	1,730,819	1,730,819	
Electro-Mechanical Switching	2215	0	0	
Operator Systems	2220	0	0	
Radio Systems	2231	0	0	
Circuit Equipment	2232	538,603	538,603	
<b>Total - Central Office Assets</b>		<b>2,269,422</b>	<b>2,269,422</b>	<b>0</b>
<b>Information Origination/Termination Assets</b>				
Station Apparatus	2311	0	0	
Customer Premises Wiring	2321	89,589	89,589	
Large Private Branch Exchanges	2341	0	0	
Public Telephone Terminal Equipment	2351	0	0	
Other Terminal Equipment	2362	0	0	
<b>Total - Information Orig./Term. Assets</b>		<b>89,589</b>	<b>89,589</b>	<b>0</b>
<b>Cable Wire Facilities Assets</b>				
Poles	2411	703,517	703,517	
Aerial Cable	2421	2,503,919	2,503,919	
Underground Cable	2422	126,159	126,159	
Buried Cable	2423	1,473,369	1,473,369	
Submarine Cable	2424	0	0	
Deep Sea Cable	2425	0	0	
Intrabuilding Network Cable	2426	0	0	
Aerial Wire	2431	0	0	
Conduit Systems	2441	32,593	32,593	
<b>Total - Cable Wire Facilities Assets</b>		<b>4,839,557</b>	<b>4,839,557</b>	<b>0</b>
<b>Amortizable Assets</b>				
Capital Leases	2681	0	0	
Leasehold Improvements	2682	0	0	
Intangibles	2690	3,940	3,940	
<b>Total Amortizable Assets</b>		<b>3,940</b>	<b>3,940</b>	<b>0</b>
<b>Total Telecom. Plant in Service</b>	<b>2001</b>	<b>7,906,145</b>	<b>7,906,145</b>	<b>0</b>

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CROCKETT TELEPHONE CO., INC.

YEAR ENDED DECEMBER 31, 1998

**TELECOMMUNICATIONS PLANT IN SERVICE -- REGULATED AND NONREGULATED (cont.)**

Account (f)	Allocated		Adjustments		Total Regulated	Total Non-Reg.
	Regulated (g)	Non-Reg. (h)	Regulated (i)	Non-Reg. (j)	(k)	(l)
2111					15,533	0
2112					200,159	0
2113					0	0
2114					0	0
2115					0	0
2116					104,708	0
2121					239,392	0
2122					14,503	0
2123					17,340	0
2124					112,002	0
	0	0	0	0	703,637	0
2211					0	0
2212					1,730,819	0
2215					0	0
2220					0	0
2231					0	0
2232					538,603	0
	0	0	0	0	2,269,422	0
2311					0	0
2321					89,589	0
2341					0	0
2351					0	0
2362					0	0
	0	0	0	0	89,589	0
2411					703,517	0
2421					2,503,919	0
2422					126,159	0
2423					1,473,369	0
2424					0	0
2425					0	0
2426					0	0
2431					0	0
2441					32,593	0
	0	0	0	0	4,839,557	0
2681					0	0
2682					0	0
2690					3,940	0
	0	0	0	0	3,940	0
2001	0	0	0	0	7,906,145	0



CROCKETT TELEPHONE CO., INC.

YEAR ENDED DECEMBER 31, 1998

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## REVENUE ALLOCATION OF REGULATED AND NONREGULATED

Particulars (a)	Account (b)	Total (c)	Directly Assigned		
			Regulated (d)	Non-Reg. (e)	
			(d)	(e)	
<b>Local Network Services Revenues</b>					4
Basic Area Revenue	5001	282,888	282,888		5
Optional Extended Area Revenue	5002	0	0		6
Cellular Mobile Revenue	5003	0	0		7
Other Mobile Services Revenue	5004	0	0		8
Public Telephone Revenue	5010	0	0		9
Local Private Line Revenue	5040	61,570	61,570		10
Customer Premises Revenue	5050	13,890	13,890		11
Other Local Exchange Revenue	5060	162,003	162,003		12
Other Local Exchange Revenue Settlements	5069	0	0		13
<b>Total Basic Local Service Revenue</b>	<b>5000</b>	<b>520,350</b>	<b>520,350</b>	<b>0</b>	14
<b>Network Access Services Revenues</b>					15
End User Revenue	5081	203,541	203,541		16
Switched Access Revenue	5082	721,239	721,239		17
Special Access Revenue	5083	14,569	14,569		18
<b>Total Interstate Network Access Revenue</b>		<b>939,349</b>	<b>939,349</b>	<b>0</b>	19
End User Revenue	5084.1	827,609	827,609		20
Switched Access Revenue	5084.2	72,186	72,186		21
Special Access Revenue	5084.3	3,270	3,270		22
<b>Total State Access Revenues</b>	<b>5084</b>	<b>903,065</b>	<b>903,065</b>	<b>0</b>	23
<b>Total Network Access Revenue</b>	<b>5080</b>	<b>1,842,414</b>	<b>1,842,414</b>	<b>0</b>	24
<b>Long Distance Network Services Revenues</b>					25
Long Distance Message Revenue	5100	0	0		26
Long Distance Inward-Only Revenue	5111	0	0		27
Long Distance Outward-Only Revenue	5112	0	0		28
<b>Unidirectional Long Distance Revenue</b>	<b>5110</b>	<b>0</b>	<b>0</b>	<b>0</b>	29
Subvoice Grade Long Distance Private Network Revenue	5121	6,226	6,226		30
Voice Grade Long Distance Private Network Revenue	5122	0	0		31
Audio Program Grade Long Distance Private Network Rev.	5123	0	0		32
Video Program Grade Long Distance Private Network Rev.	5124	0	0		33
Digital Transmission Long Distance Private Network Rev.	5125	0	0		34
Long Distance Private Network Switching Revenue	5126	0	0		35
Other Long Distance Private Network Revenue	5128	0	0		36
Other Long Distance Private Network Revenue Settlement	5129	0	0		37
<b>Total Long Distance Private Network Revenue</b>	<b>5120</b>	<b>6,226</b>	<b>6,226</b>	<b>0</b>	38
Other Long Distance Revenue	5160	37,099	37,099		39
Other Long Distance Revenue Settlements	5169	0	0		40
<b>Total Long Distance Network Services Revenues</b>		<b>43,324</b>	<b>43,324</b>	<b>0</b>	41

CROCKETT TELEPHONE CO., INC.

YEAR ENDED DECEMBER 31, 1998

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## REVENUE ALLOCATION OF REGULATED AND NONREGULATED (cont.)

Account (f)	Allocated		Adjustments		Total Regulated (k)	Total Non-Reg. (l)
	Regulated (g)	Non-Reg. (h)	Regulated (i)	Non-Reg. (j)		
5001					282,888	0
5002					0	0
5003					0	0
5004					0	0
5010					0	0
5040					- 61,570	0
5050					13,890	0
5060					162,003	0
5069					0	0
5000	0	0	0	0	520,350	0
5081					203,541	0
5082					721,239	0
5083					14,569	0
	0	0	0	0	939,349	0
5084.1					827,609	0
5084.2					72,186	0
5084.3					3,270	0
5084	0	0	0	0	903,065	0
5080	0	0	0	0	1,842,414	0
5100					0	0
5111					0	0
5112					0	0
5110	0	0	0	0	0	0
5121					6,226	0
5122					0	0
5123					0	0
5124					0	0
5125					0	0
5126					0	0
5128					0	0
5129					0	0
5120	0	0	0	0	6,226	0
5160					37,099	0
5169					0	0
	0	0	0	0	43,324	0

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CROCKETT TELEPHONE CO., INC.

YEAR ENDED DECEMBER 31, 1998

## REVENUE ALLOCATION OF REGULATED AND NONREGULATED

Particulars (a)	Account (b)	Total (c)	Directly Assigned	
			Regulated (d)	Non-Reg. (e)
Miscellaneous Revenues				
Directory Revenue	5230	44,676	44,676	
Rent Revenue	5240	0	0	
Corporate Operations Revenue	5250	0	0	
Special Billings Arrangements Revenue	5261	-23,335	-23,335	
Customer Operations Revenue	5262	-109,096	-109,096	
Plant Operations Revenue	5263	0	0	
Other Incidental Regulated Revenue	5264	874	874	
Other Revenue Settlements	5269	0	0	
Carrier Billing and Collection Revenue	5270	497,350	441,080	56,271
Total Miscellaneous Revenue	5200	410,469	354,199	56,271
Nonregulated Operating Revenue	5280	0		
Gross Operating Revenues		2,816,558	2,760,287	56,271
Uncollectible Revenues				
Uncollectible Revenue - Telecommunications	5301	3,683	3,683	
Uncollectible Revenue - Other	5302	0	0	
Total Uncollectible Revenue	5300	3,683	3,683	0
Total Operating Revenues		2,812,875	2,756,604	56,271

CROCKETT TELEPHONE CO., INC.

YEAR ENDED DECEMBER 31, 1998

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**REVENUE ALLOCATION OF REGULATED AND NONREGULATED (cont.)**

Account (f)	Allocated		Adjustments		Total Regulated (k)	Total Non-Reg. (l)
	Regulated (g)	Non-Reg. (h)	Regulated (i)	Non-Reg. (j)		
5230					44,676	0
5240					0	0
5250					0	0
5261					-23,335	0
5262					-109,096	0
5263					0	0
5264					874	0
5269					0	0
5270					441,080	56,271
5260	0	0	0	0	354,199	56,271
5280						0
	0	0	0	0	2,760,287	56,271
5301					3,683	0
5302					0	0
5300	0	0	0	0	3,683	0
	0	0	0	0	2,756,604	56,271

CROCKETT TELEPHONE CO., INC.

YEAR ENDED DECEMBER 31, 1998

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## EXPENSE ALLOCATION OF REGULATED AND NONREGULATED

Particulars (a)	Account (b)	Total (c)	Directly Assigned	
			Regulated (d)	Non-Reg. (e)
<b>Plant Specific Operations Expense</b>				
Motor Vehicle Expense	6112	3,399	3,399	
Aircraft Expense	6113	0	0	
Special Purpose Vehicles Exp	6114	0	0	
Garage Work Equipment Expense	6115	0	0	
Other Work Equipment Expense	6116	1,769	1,769	
<b>Total Network Support Exp</b>	<b>6110</b>	<b>5,168</b>	<b>5,168</b>	<b>0</b>
Land and Building Expenses	6121	32,710	32,710	
Furniture and Artworks Expense	6122	0	0	
Office Equipment Expense	6123	0	0	
General Purpose Computers Exp	6124	298	298	
<b>Total General Support Exp</b>	<b>6120</b>	<b>33,008</b>	<b>33,008</b>	<b>0</b>
Analog Electronic Expense	6211	0	0	
Digital Electronic Expense	6212	79,799	79,799	
Electro-Mechanical Expense	6215	32	32	
<b>Total Central Office Switching Exp</b>	<b>6210</b>	<b>79,831</b>	<b>79,831</b>	<b>0</b>
<b>Operators System Expense</b>	<b>6220</b>	<b>0</b>	<b>0</b>	
Radio Systems Expense	6231	0	0	
Circuit Equipment Expense	6232	8,245	8,245	
<b>Total Central Office Trans Expense</b>	<b>6230</b>	<b>8,245</b>	<b>8,245</b>	<b>0</b>
Station Apparatus Expense	6311	0	0	
Large Private Branch Exch. Expense	6341	0	0	
Public Telephone Term. Equipment Exp.	6351	0	0	
Other Terminal Equipment Expense	6362	0	0	
<b>Total Inf. Orig / Term. Expense</b>	<b>6310</b>	<b>0</b>	<b>0</b>	<b>0</b>
Poles Expense	6411	13,299	13,299	
Aerial Cable Expense	6421	109,391	109,391	
Underground Cable Expense	6422	246	246	
Buried Cable Expense	6423	57,815	57,815	
Submarine Cable Expense	6424	0	0	
Deep Sea Cable Expense	6425	0	0	
Intrabuilding Net Cable Expense	6426	0	0	
Aerial Wire Expense	6431	59	59	
Conduit Systems Expense	6441	0	0	
<b>Total Cable &amp; Wire Fac. Exp</b>	<b>6410</b>	<b>180,810</b>	<b>180,810</b>	<b>0</b>
<b>Total Plant Specific Operations Expense</b>		<b>307,063</b>	<b>307,063</b>	<b>0</b>

CROCKETT TELEPHONE CO., INC.

YEAR ENDED DECEMBER 31, 1998

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## EXPENSE ALLOCATION OF REGULATED AND NONREGULATED

Particulars (a)	Account (b)	Total (c)	Directly Assigned	
			Regulated (d)	Non-Reg. (e)
<b>Plant Specific Operations Expense</b>				
Motor Vehicle Expense	6112	3,399	3,399	
Aircraft Expense	6113	0	0	
Special Purpose Vehicles Exp	6114	0	0	
Garage Work Equipment Expense	6115	0	0	
Other Work Equipment Expense	6116	1,769	-1,769	
<b>Total Network Support Exp</b>	<b>6110</b>	<b>5,168</b>	<b>5,168</b>	<b>0</b>
Land and Building Expenses	6121	32,710	32,710	
Furniture and Artworks Expense	6122	0	0	
Office Equipment Expense	6123	0	0	
General Purpose Computers Exp	6124	298	298	
<b>Total General Support Exp</b>	<b>6120</b>	<b>33,008</b>	<b>33,008</b>	<b>0</b>
Analog Electronic Expense	6211	0	0	
Digital Electronic Expense	6212	79,799	79,799	
Electro-Mechanical Expense	6215	32	32	
<b>Total Central Office Switching Exp</b>	<b>6210</b>	<b>79,831</b>	<b>79,831</b>	<b>0</b>
<b>Operators System Expense</b>	<b>6220</b>	<b>0</b>	<b>0</b>	
Radio Systems Expense	6231	0	0	
Circuit Equipment Expense	6232	8,245	8,245	
<b>Total Central Office Trans Expense</b>	<b>6230</b>	<b>8,245</b>	<b>8,245</b>	<b>0</b>
Station Apparatus Expense	6311	0	0	
Large Private Branch Exch. Expense	6341	0	0	
Public Telephone Term. Equipment Exp.	6351	0	0	
Other Terminal Equipment Expense	6362	0	0	
<b>Total Inf. Orig / Term. Expense</b>	<b>6310</b>	<b>0</b>	<b>0</b>	<b>0</b>
Poles Expense	6411	13,299	13,299	
Aerial Cable Expense	6421	109,391	109,391	
Underground Cable Expense	6422	246	246	
Buried Cable Expense	6423	57,815	57,815	
Submarine Cable Expense	6424	0	0	
Deep Sea Cable Expense	6425	0	0	
Intrabuilding Net Cable Expense	6426	0	0	
Aerial Wire Expense	6431	59	59	
Conduit Systems Expense	6441	0	0	
<b>Total Cable &amp; Wire Fac. Exp</b>	<b>6410</b>	<b>180,810</b>	<b>180,810</b>	<b>0</b>
<b>Total Plant Specific Operations Expense</b>		<b>307,063</b>	<b>307,063</b>	<b>0</b>

CROCKETT TELEPHONE CO., INC.

YEAR ENDED DECEMBER 31, 1998

EXPENSE ALLOCATION OF REGULATED AND NONREGULATED (cont.)						
Account (f)	Allocated		Adjustments		Total Regulated (k)	Total Non-Reg. (l)
	Regulated (g)	Non-Reg. (h)	Regulated (i)	Non-Reg. (j)		
6112					3,399	0
6113					0	0
6114					0	0
6115					0	0
6116					1,769	0
6110	0	0	0	0	- 5,168	0
6121					32,710	0
6122					0	0
6123					0	0
6124					298	0
6120	0	0	0	0	33,008	0
6211					0	0
6212					79,799	0
6215					32	0
6210	0	0	0	0	79,831	0
6220					0	0
6231					0	0
6232					8,245	0
6230	0	0	0	0	8,245	0
6311					0	0
6341					0	0
6351					0	0
6362					0	0
6310	0	0	0	0	0	0
6411					13,299	0
6421					109,391	0
6422					246	0
6423					57,815	0
6424					0	0
6425					0	0
6426					0	0
6431					59	0
6441					0	0
6410	0	0	0	0	180,810	0
	0	0	0	0	307,063	0

CROCKETT TELEPHONE CO., INC.

YEAR ENDED DECEMBER 31, 1998

## EXPENSE ALLOCATION OF REGULATED AND NONREGULATED

Particulars (a)	Account (b)	Total (c)	Directly Assigned	
			Regulated (d)	Non-Reg. (e)
<b>Plant Nonspecific Operations Expense</b>				
Property Held for Future Telecommun. Use Exp.	6511	0	0	
Provisioning Expense	6512	20	20	
<b>Total Other Property Plant and Equipment Expenses</b>	<b>6510</b>	<b>20</b>	<b>20</b>	<b>0</b>
Power Expense	6531	15,609	15,609	
Network Administration Expense	6532	9,621	9,621	
Testing Expense	6533	0	0	
Plant Opns Admin Expense	6534	27,657	27,657	
Engineering Expense	6535	0	0	
<b>Total Network Oper. Expense</b>	<b>6530</b>	<b>52,887</b>	<b>52,887</b>	<b>0</b>
<b>Access Expense</b>	<b>6540</b>	<b>139,574</b>	<b>139,574</b>	
Depreciation Expenses -- Telecom. Plant in Service	6561	498,636	498,636	
Depreciation Exp. -- Prop. Held For Future Telec. Use	6562	0	0	
Amortization Expense -- Tangible	6563	0	0	
Amortization Expense -- Intangible	6564	0	0	
Amortization Expense -- Other	6565	0	0	
<b>Total Depreciation &amp; Amortization Expense</b>	<b>6560</b>	<b>498,636</b>	<b>498,636</b>	<b>0</b>
<b>Total Plant Nonspecific Operations Expense</b>		<b>691,117</b>	<b>691,117</b>	<b>0</b>
<b>Customer Operations Expense</b>				
Product Management	6611	0	0	
Sales	6612	0	0	
Product Advertising	6613	1,477	1,477	
<b>Total Marketing</b>	<b>6610</b>	<b>1,477</b>	<b>1,477</b>	<b>0</b>
Call Completion Services	6621	20,420	20,420	
Number Services	6622	17,068	17,068	
Customer Services	6623	427,019	427,019	
<b>Total Services</b>	<b>6620</b>	<b>464,507</b>	<b>464,507</b>	<b>0</b>
<b>Total Customer Operations Expense</b>		<b>465,983</b>	<b>465,983</b>	<b>0</b>
<b>Corporate Operations Expense</b>				
Executive	6711	39,657	39,657	
Planning	6712	0	0	
<b>Total Executive and Planning</b>	<b>6710</b>	<b>39,657</b>	<b>39,657</b>	<b>0</b>
Accounting and Finance	6721	179,017	179,017	
External Relations	6722	49,299	49,299	
Human Resources	6723	597	597	
Information Management	6724	11,478	11,478	
Legal	6725	81,066	81,066	
Procurement	6726	12,662	12,662	
Research & Development	6727	0	0	
Other General & Administrative	6728	19,912	19,912	
<b>Total General and Admin.</b>	<b>6720</b>	<b>354,032</b>	<b>354,032</b>	<b>0</b>
<b>Provision for Uncollectible Notes Receivable</b>	<b>6790</b>	<b>0</b>	<b>0</b>	
<b>Total Corporate Operations Expense</b>		<b>393,689</b>	<b>393,689</b>	<b>0</b>
<b>Total Expenses</b>		<b>1,857,853</b>	<b>1,857,853</b>	<b>0</b>

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CROCKETT TELEPHONE CO., INC.

YEAR ENDED DECEMBER 31, 1998

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**EXPENSE ALLOCATION OF REGULATED AND NONREGULATED (cont.)**

Account (f)	Allocated		Adjustments		Total Regulated (k)	Total Non-Reg. (l)
	Regulated (g)	Non-Reg. (h)	Regulated (i)	Non-Reg. (j)		
6511					0	0
6512					20	0
6510	0	0	0	0	20	0
6531					15,609	0
6532					9,621	0
6533					0	0
6534					27,657	0
6535					0	0
6530	0	0	0	0	52,887	0
6540					139,574	0
6561					498,636	0
6562					0	0
6563					0	0
6564					0	0
6565					0	0
6560	0	0	0	0	498,636	0
	0	0	0	0	691,117	0
6611					0	0
6612					0	0
6613					1,477	0
6610	0	0	0	0	1,477	0
6621					20,420	0
6622					17,068	0
6623					427,019	0
6620	0	0	0	0	464,507	0
	0	0	0	0	465,983	0
6711					39,657	0
6712					0	0
6710	0	0	0	0	39,657	0
6721					179,017	0
6722					49,299	0
6723					597	0
6724					11,478	0
6725					81,066	0
6726					12,662	0
6727					0	0
6728					19,912	0
6720	0	0	0	0	354,032	0
6790					0	0
	0	0	0	0	393,689	0
	0	0	0	0	1,857,853	0

CROCKETT TELEPHONE CO., INC.

YEAR ENDED DECEMBER 31, 1999

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## OTHER INCOME ACCOUNTS ALLOCATION OF REGULATED AND NONREGULATED

Particulars (a)	Account (b)	Total (c)	Directly Assigned		
			Regulated (d)	Non-Reg. (e)	
<b>Other Operating Income and (Expense)</b>					
Income from Custom Work	7110	0	0		
Return from Nonregulated Use of Regulated Facilities	7130	1,435	1,435		
Gains and Losses from Foreign Exchanges	7140	0	0		
Gains or Losses from Disposition of Land and Artwork	7150	0	0		
Other Operating Gains and (Losses)	7160	0	- 0		
<b>Total Other Income and (Expense)</b>	<b>7100</b>	<b>1,435</b>	<b>1,435</b>	<b>0</b>	
<b>Operating Taxes</b>					
Operating Investment Tax Credits - Net	7210	0	0		
Operating Federal Income Taxes	7220	-108,556	-108,556		
Operating State and Local Income Taxes	7230	1,977	1,977		
Operating Other Taxes	7240	84,646	84,646		
Prov. for Deferred Operating Income Taxes - Net	7250	399,942	399,942		
<b>Total Operating Taxes</b>	<b>7200</b>	<b>378,009</b>	<b>378,009</b>	<b>0</b>	
<b>Nonoperating Income and (Expense)</b>					
Dividend Income	7310	0	0		
Interest Income	7320	136,089	136,089		
Income from Sinking and Other Funds	7330	0	0		
Allow. for Funds Used During Construction	7340	0	0		
Gains (Losses) from Disposition of Certain Property	7350	0	0		
Other Nonoperating Income	7360	0	0		
Special (Charges)	7370	-14,597	-14,597		
<b>Total Nonoperating Income and (Expense)</b>	<b>7300</b>	<b>121,492</b>	<b>121,492</b>	<b>0</b>	
<b>Nonoperating Taxes</b>					
Nonoperating Investment Tax Credits - Net	7410	-29,585	-29,585		
Nonoperating Federal Income Taxes	7420	41,195	41,195		
Nonoperating State and Local Income Taxes	7430	330	330		
Nonoperating Other Taxes	7440	0	0		
Prov. for Deferred Nonop. Income Taxes - Net	7450	0	0		
<b>Total Nonoperating Taxes</b>	<b>7400</b>	<b>11,940</b>	<b>11,940</b>	<b>0</b>	
<b>Interest and Related Items</b>					
Interest on Funded Debt	7510	143,067	143,067		
Interest Expense - Capital Leases	7520	0	0		
Amortization of Debt Issuance Expense	7530	0	0		
Other Interest Deductions	7540	887	887		
<b>Total Interest and Related Items</b>	<b>7500</b>	<b>143,954</b>	<b>143,954</b>	<b>0</b>	
<b>Extraordinary Items</b>					
Extraordinary Income Credits	7610	0	0		
Extraordinary Income Charges	7620	0	0		
Current Income Tax Effects of Extraord. Items - Net	7630	0	0		
Provision for Def. Inc. Tax Effect of Extr. Items - Net	7640	0	0		
<b>Total Extraordinary Items</b>	<b>7600</b>	<b>0</b>	<b>0</b>	<b>0</b>	

CROCKETT TELEPHONE CO., INC.

YEAR ENDED DECEMBER 31, 1996

89,695

## OTHER INCOME ACCOUNTS ALLOCATION OF REGULATED AND NONREGULATED (cont.)

Account (f)	Allocated		Adjustments		Total Regulated	Total Non-Reg.
	Regulated (g)	Non-Reg. (h)	Regulated (i)	Non-Reg. (j)	(k)	(l)
7110					0	0
7130					1,435	0
7140					0	0
7150					0	0
7160					0	0
7100	0	0	0	0	- 1,435	0
7210					0	0
7220					-108,556	0
7230					1,977	0
7240					84,646	0
7250					399,942	0
7200	0	0	0	0	378,009	0
7310					0	0
7320					136,089	0
7330					0	0
7340					0	0
7350					0	0
7360					0	0
7370					-14,597	0
7300	0	0	0	0	121,492	0
7410					-29,585	0
7420					41,195	0
7430					330	0
7440					0	0
7450					0	0
7400	0	0	0	0	11,940	0
7510					143,067	0
7520					0	0
7530					0	0
7540					887	0
7500	0	0	0	0	143,954	0
7610					0	0
7620					0	0
7630					0	0
7640					0	0
7600	0	0	0	0	0	0

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CROCKETT TELEPHONE CO., INC.

YEAR ENDED DECEMBER 31, 1998

**BUSINESS CONTRACTS WITH OFFICERS, DIRECTORS, AND AFFILIATES**

List all contracts, agreements, or other business arrangements (A/) entered into during the calendar year (other than compensation related to position with Respondents) between the Respondent and officer and director listed on page 1. In addition, provide the same information with respect to professional services for each firm, partnership, or organization with which the officer or director is affiliated.

Name of Officer, Director, or Affiliate (a)	Identification of Service or Product (b)	Amount (c)	Name and Address of Affiliated Entity (d)
	NONE		-

A/ Business Agreement, for this schedule, shall mean any oral or written business deal which binds the concerned parties for products or services during the reporting year or future years. Although the Respondent and/or other companies will benefit from the arrangement, the officer or director is, however, acting on his behalf or for the benefit of other companies or persons.

9/6/95

CROCKETT TELEPHONE CO., INC.

YEAR ENDED DECEMBER 31, 1998

**PARENT / AFFILIATE ORGANIZATIONS**

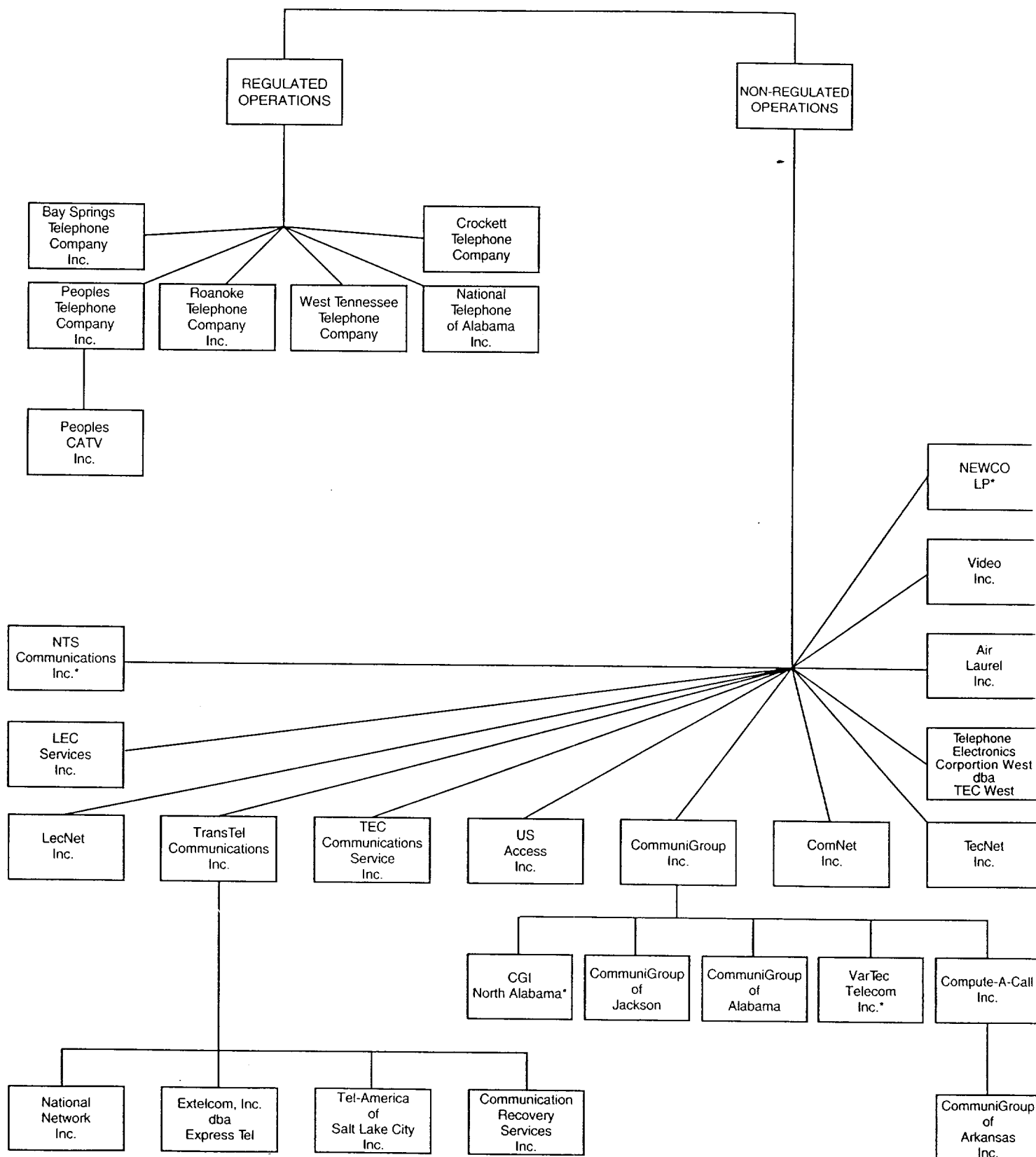
Current as of 12/31/1998

List companies owned, controlled, or operated and form and extent of such ownership, control or operation.  
Provide an organization chart if available.

SEE ATTACHED SCHEDULE

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## TELEPHONE ELECTRONICS CORPORATION



\* Indicates less than  
100% ownership by TEC

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**SUGGESTIONS FOR IMPROVING THE TRA ANNUAL REPORT FORM**

Enter any suggestions for improving the report form:

Enter any suggestions for improving the computer program: